

Appendix A.

2010 Third Round Substantive Certification

**RESOLUTION GRANTING THIRD ROUND SUBSTANTIVE CERTIFICATION #59-18**

**Demarest Borough, Bergen County**

WHEREAS, on December 30, 2008, Demarest Borough, Bergen County, petitioned the Council on Affordable Housing (COAH) for substantive certification of a Housing Element and Fair Share Plan addressing its total 1987-2018 affordable housing obligation; and

WHEREAS, on March 14, 2009, the Borough published notice of its petition in the *Record*, which is a newspaper of general circulation within the county, pursuant to N.J.S.A. 52:27D-313 and N.J.A.C. 5:96-3.5; and

WHEREAS, no objections to the plan were received by COAH during the 45-day objection period, which ended April 13, 2009; and

WHEREAS, the Borough of Demarest's fair share plan addresses a total 1987-2018 affordable housing obligation of 47 units, consisting of a 4-unit rehabilitation share, 23-unit prior round obligation and a 20-unit projected growth share obligation pursuant to N.J.A.C. 5:97; and

WHEREAS, after a review of the Borough's Housing Element and Fair Share Plan, COAH issued a Report Requesting Additional Information (RRAI) on August 26, 2009; and

WHEREAS, the Borough partially addressed COAH's request for additional information in its response to the RRAI, received by COAH on October 23, 2009 and requested an extension to submit the remainder; and

WHEREAS, the Borough submitted an analysis of opportunities which exist to address Demarest's unmet need and potential growth share opportunities, a copy of a Community Development Block Grant (CDBG) pre-development application for the 127 Hardenburgh Avenue project, a revised accessory apartment ordinance, a copy of an executed contract designating the Housing Authority of Bergen County as the administrative entity for all affordable housing units in the Borough, and a validation by the construction code official of claimed non-residential exclusions; and

WHEREAS, the Borough submitted to COAH a draft Minor Technical Amendment on November 16, 2009 which was adopted by its Planning Board on December 9, 2009 and Endorsed by the Borough Council on December 21, 2009; and

WHEREAS, on December 23, 2009, Demarest submitted a motion requesting a minor revision to its December 10, 2008 adopted Housing Element and Fair Share Plan in accordance with N.J.A.C. 5:96-3.4(b); and

WHEREAS, Demarest Borough served the motion upon the service list maintained by COAH as per N.J.A.C. 5:96-15.2(c)2; and

WHEREAS, the Borough's minor revision to its adopted Housing Element and Fair Share Plan increases the number of units proposed for the municipally sponsored/100 percent affordable family rental development from eight to 12, increases the number of units proposed for the Market to Affordable program from two age-restricted and one family rental units to three age-restricted and seven family rental units, addresses the unmet need with the accessory apartment and market to affordable programs, and deletes the phased supportive/special needs development; and

WHEREAS, COAH received no replies to Demarest Borough's motion requesting a minor revision to its adopted Housing Element and Fair Share Plan; and

WHEREAS, the Borough of Demarest proposes to address its 4-unit rehabilitation share with one rehabilitation credit and a rehabilitation program for three units; and

WHEREAS, Demarest received a vacant land adjustment pursuant to N.J.A.C. 5:97-5.1(c) that resulted in a prior round Realistic Development Potential (RDP) of 23 units; and

WHEREAS, the Borough proposes to address its 23-unit prior round RDP with four credits for the Alpine Country Club inclusionary development, nine credits for a Regional Contribution Agreement (RCA) with Hoboken, five units from an accessory apartment program and five bonuses; and

WHEREAS, Demarest proposes to address its 20-unit net projected growth share obligation with three age-restricted units (3) from its Market to Affordable program, 12 units from the 127 Hardenburgh Avenue 100 percent affordable development and five rental bonuses; and

WHEREAS, the Borough proposes to address its unmet need and potential growth share opportunities with the Accessory Apartment and Market to Affordable programs; and

WHEREAS, pursuant to N.J.A.C. 5:97-5.3(a), all components designed to address unmet need as part of a municipality's prior round certification or Judgment of Compliance shall continue in full force and any affordable housing units created thereunder shall be credited toward unmet need until such time as the municipality has provided for its entire unmet need; and

WHEREAS, COAH staff has reviewed the Borough's Housing Element and Fair Share Plan, which is incorporated by reference herein; and

WHEREAS, pursuant to N.J.A.C. 5:97-3.2(a)5, Demarest has submitted all information and documentation required by N.J.A.C. 5:97-6.7, N.J.A.C. 5:97-6.8 and N.J.A.C. 5:97-6.9; and

WHEREAS, pursuant to N.J.A.C. 5:96-6.2(a)2, on January 21, 2010 COAH issued a Compliance Report (attached as Exhibit B and incorporated by reference herein) recommending approval of the Borough of Demarest's petition for third round substantive certification; and

WHEREAS, there was a 14-day period to submit comments to the COAH Compliance Report pursuant to N.J.A.C. 5:96-6.2(b) and COAH received no comments during this timeframe.

NOW THEREFORE BE IT RESOLVED that the Housing Element and Fair Share Plan submitted by the Borough of Demarest comports to the standards set forth at N.J.S.A. 52:27D-314 and meets the criteria for third round substantive certification pursuant to N.J.A.C. 5:96-6.3; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.2(a), after having reviewed and considered all of the above, COAH hereby grants third round substantive certification to the Borough of Demarest; and

BE IT FURTHER RESOLVED that after receiving final substantive certification, pursuant to N.J.A.C. 5:96-6.3(e), the Borough of Demarest shall adopt all implementing Fair Share Ordinances within 45 days of this grant of substantive certification; and

BE IT FURTHER RESOLVED that the Borough must execute the developer's agreement with the Housing Authority of Bergen County for the Hardenburgh Avenue project within 45 days of substantive certification; and

BE IT FURTHER RESOLVED if the Borough of Demarest fails to timely adopt its Fair Share Ordinances, COAH's grant of substantive certification shall be void and of no force and effect; and

BE IT FURTHER RESOLVED that Demarest shall submit all Fair Share Ordinances to COAH upon adoption; and

BE IT FURTHER RESOLVED that Demarest shall comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting Demarest's actual growth pursuant to N.J.A.C. 5:97-2.5; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-10.1, COAH shall conduct biennial plan evaluations upon substantive certification of Demarest's Housing Element and Fair Share Plan to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the municipality and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing; and

BE IT FURTHER RESOLVED that if upon any biennial review the difference between the number of affordable units constructed or provided in Demarest and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a prorated production shortage of 10 percent or greater, the Borough is not adhering to its implementation schedule pursuant to N.J.A.C. 5:97-3.2(a)4 or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, then the Council may direct the municipality to amend its plan to address the shortfall; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:97-2.5(e), if the actual growth share obligation determined is less than the projected growth share obligation, Demarest shall continue to provide a realistic opportunity for affordable housing to address the projected growth share; and

BE IT FURTHER RESOLVED that pursuant to N.J.A.C. 5:96-6.3(b), Demarest's substantive certification shall remain in effect until December 30, 2018; and

BE IT FURTHER RESOLVED that any changes to the facts upon which this substantive certification is based or any deviations from the terms and conditions of this substantive certification which affect the ability of the Borough of Demarest to provide for the realistic opportunity of its fair share of low- and moderate-income housing and which the Borough fails to remedy, may render this certification null and void.

I hereby certify that this resolution was duly adopted by the Council on Affordable Housing at its public meeting on March 10, 2010.

A handwritten signature in cursive script, reading "Renee Reiss".

Renee Reiss, Secretary  
Council on Affordable Housing

**Council on Affordable Housing  
Compliance Report  
January 20, 2010**



**Demarest:** Demarest Borough  
**County:** Bergen County

**COAH Region:** 1  
**Planning Area:** 1

**Special Resource Area:** N/A

**Housing Element and Fair Share Plan Adopted:** December 10, 2008  
**Petition for 3<sup>rd</sup> Round Substantive Certification:** December 30, 2008  
**Completeness Determination:** February 9, 2009  
**Date of Publication:** February 14, 2009 – The Record

**Objections Received:** No

**Petition Includes:**

**VIA:** Yes

**GPA:** Yes

**Waiver:** No

**Section:** N/A

**Date of Site Visit:** July 10, 2009

**History of Approvals:**

<b>COAH</b>	<b>JOC</b>	<b>N/A</b>
<b>First Round:</b>		
<b>Second Round:</b>	June 27, 2001	
<b>Extended Certification:</b>		X

**Plan Preparer:** Joseph J. Layton, PP, AICP & Darlene A. Jay – Maser Consulting, P.A.

**Municipal Housing Liaison:** Susan Crossman, Borough Clerk/Coordinator

**Recommendation:** Grant Substantive Certification

**SUMMARY OF FAIR SHARE OBLIGATION**

<b>Rehabilitation Share</b>	<b>4</b>
<b>Prior Round Realistic Development Potential (RDP) (Unmet Need of 43)</b>	<b>23</b>
<b>Adjusted Projected Growth Share Obligation</b>	<b>20<sup>1</sup></b>

**ACTUAL GROWTH and GROWTH SHARE through September 30, 2008<sup>2</sup>**

<b>Res Units (#)</b>	<b>Actual Res Growth Share</b>	<b>Jobs (#)</b>	<b>Actual Non-Res Growth Share</b>	<b>Actual TOTAL Growth Share</b>
77	15.4 units	38	2.4 units	18 units

**COMPLIANCE PLAN SUMMARY**

<b>Obligation</b>	<b>Credit/Mechanism Type</b>	<b>No. Units Completed</b>	<b>No. Units Proposed</b>	<b>TOTAL</b>
<b>Rehabilitation: 4 units</b>				
<b>Credits</b>	Post-April 1, 2000	1		1
<b>Program(s)</b>	County/Municipal		3	3
<b>Rehabilitation Subtotal</b>				<b>4</b>
<b>NEW CONSTRUCTION:</b>				
<b>Prior Round RDP<sup>3</sup>: 23 units</b>				
<b>Credits</b>	Post-1986	4		4
	RCA	9		9
<b>Proposed Mechanism(s)</b>	Accessory Apartments		5	5
<b>Prior Round Bonus(es)</b>	Rental		5	5
<b>Prior Round Subtotal</b>				<b>23</b>
<b>Growth Share: 20 units (Based on Revised Growth Projection Adjustment)</b>				
<b>Proposed Mechanism(s)</b>	Market-to-Affordable Program		3	3
	Municipally Sponsored/100% Affordable Project		12	12
<b>Growth Share Bonus(es)</b>	Rental		5	5
<b>Growth Share Subtotal</b>				<b>20</b>

<sup>1</sup> Demarest proposed an adjustment to the growth projections made by COAH. The result of this adjustment would be a 19-unit projected growth share obligation. However, as described in further detail on page four of this report, a COAH staff review of the data included in the Demarest plan results in certain corrections to the adjustment resulting in an adjusted, projected growth share obligation of 20 units.

<sup>2</sup> This growth share number reflects the changes and demolitions described on page four, section I.-C of this report.

<sup>3</sup> Realistic development potential (RDP) of 23 plus unmet need of 43 units equals prior round obligation of 66 units.

## **I. HOUSING ELEMENT**

Pursuant to N.J.S.A. 40:55D-28(b), the Housing Element is a required section of the Municipal Master Plan. The Housing Element must be designed to achieve the goal of access to affordable housing to meet existing and future housing needs, with special attention given to low- and moderate-income households. The housing needs analysis must include demographic information on existing and projected housing stock and employment characteristics, a quantification of low- and moderate-income housing need, and a consideration of the lands within the municipality that are most appropriate to accommodate such housing. Demarest's Housing Element includes sufficient information regarding housing stock, demographic and employment characteristics and population trends pursuant to N.J.S.A. 52:27D-310.

Under N.J.A.C. 5:97-2.1(b), the Housing Element must also set forth the municipality's fair share obligation, which is the sum of the rehabilitation share, the prior round obligation, and the growth share.

### **A. Rehabilitation Share**

The rehabilitation share is the number of existing housing units within Demarest as of April 1, 2000, that are both deficient and occupied by households of low or moderate income. As indicated in Appendix B of N.J.A.C. 5:97, Demarest has a rehabilitation share of four (4) units.

### **B. Prior Round Obligation**

The prior round obligation is the cumulative 1987-1999 new construction obligation provided in Appendix C of N.J.A.C. 5:97. Demarest has a prior round obligation of 66. However, pursuant to N.J.A.C. 5:97-5.2, Demarest received a vacant land adjustment of 43 that resulted in a reduced new construction obligation or realistic development potential (RDP) of 23 units and an unmet need of 43.

### **C. Projected Growth Share**

The projected growth share is initially calculated based on household (residential) and employment (non-residential) growth projections for 2004 through 2018. Pursuant to Appendix F of N.J.A.C. 5:97, Demarest has a residential growth projection of 193 units and a non-residential growth projection of 142 jobs, resulting in a projected growth share obligation of 43 units. However, N.J.A.C. 5:97-5.6 permits municipalities to request an adjustment to the growth projections published by COAH. Growth projection adjustments are based on an analysis of municipal capacity to accommodate residential and non-residential growth through the development of vacant land. Environmental and logistical constraints are subtracted from each vacant parcel identified and any remaining, unconstrained,

developable land is presumed to have the capacity to support development based on the densities and non-residential intensities of use outlined in N.J.A.C. 5:97-5.6(e). Sites used to address prior round affordable housing needs are also permitted to be excluded from this inventory to the extent that they produced affordable housing commensurate with COAH's prior round set-aside standards.

Demarest included Workbook C with its petition for certification which results in an initial projected growth based on actual growth to date and the capacity of remaining unconstrained, developable land. After subtracting the allowable exclusions for sites addressing the prior round obligation, Demarest reduced its residential growth projection to 85 units and the non-residential growth projection was reduced to 34 jobs. However, discrepancies in non-residential square footage and use groups were noted between data included in the Borough's Workbook C and data published by the DCA Division of Codes and Standards. Division of Codes and Standards staff and the Demarest Construction Official reviewed CO records and a correction was made by the Division of Codes and Standards. Non-residential growth in the Borough was adjusted accordingly. To validate the exclusions claimed for non-residential demolitions, the Borough has provided a signed certification from the construction code official indicating the most recent uses of the demolished structures (using UCC standards), the demolition dates for each structure and a statement indicating whether the structures were occupied at least one year prior to the demolition.

COAH staff incorporated these corrections in a revised version of Workbook C (attached as Appendix A). After subtracting the allowable exclusions for sites addressing the prior round obligation and adjusting job growth by non-residential demolitions, Demarest's residential growth projection is revised to 88 units and the non-residential growth projection is revised to 38 jobs. Therefore, Demarest's total projected growth share for the period 1999-2018 is 20 affordable units consisting of a 17.6-unit projected residential growth share and a 2.4-unit projected non-residential growth share.<sup>4</sup>

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<sup>4</sup> Pursuant to N.J.A.C. 5:97-2.2(d), Demarest's residential growth projection of 88 is divided by 5 to yield 17.6 units and the non-residential growth projection of 38 jobs is divided by 16 to yield 2.4 units. Demarest's total projected growth share is therefore 20 units (17.6 + 2.4).

**SUMMARY OF FAIR SHARE OBLIGATION**

<b>Rehabilitation Share</b>	<b>4</b>
<b>Prior Round Realistic Development Potential (RDP) (Unmet Need of 43)</b>	<b>23</b>
<b>Adjusted Projected Growth Share Obligation</b>	<b>20</b>

**II. FAIR SHARE PLAN**

A Fair Share Plan, as required under N.J.A.C. 5:97-3.1, describes the completed or proposed mechanisms and funding sources, if applicable, that will be utilized to specifically address a municipality’s rehabilitation share, prior round obligation, and growth share obligation and includes the draft ordinances necessary to implement that plan. Affordable housing must be provided in direct proportion to the growth share obligation generated by the actual growth.

Demarest’s Fair Share Plan, and the supporting documentation incorporated by reference therein, addresses the requirements of N.J.A.C. 5:97-3.1 as follows:

**A. Plan to Address Rehabilitation Share**

**Rehabilitation Share Credits**

Demarest is requesting credit for one unit rehabilitated subsequent to April 1, 2000. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

**Rehabilitation Credits**

<b>Rehabilitation Program</b>	<b>No. Credits</b>
Bergen County Home Improvement Program	1
<b>TOTAL</b>	<b>1</b>

**Proposed Rehabilitation Program(s)**

***Bergen County Home Improvement Program***

Demarest will utilize the Bergen County Home Improvement Program to address three units of its rehabilitation obligation. The Bergen County Home Improvement Program, which is administered by the Bergen County Division of Community Development, provides loans of up to \$17,500 at a three percent

interest rate for homeowner-occupied single-family homes and up to \$25,000 for homeowner- and renter-occupied two-family units. The County Home Improvement Program complies with N.J.A.C. 5:97-6.2, including requiring the rehabilitation of at least one major system and having the program available to both owner-occupied and renter-occupied units. COAH is in possession of the County’s operating manual and affirmative marketing plan for the administration of the program. In the event that three low- and moderate-income units are not rehabilitated through this county program, Demarest will address the shortfall using its local affordable housing trust fund and has dedicated \$30,000 in its Spending Plan for this purpose. In addition, Demarest has submitted a resolution of intent to appropriate funds or to bond in the event of any shortfall in funding.

**Proposed Rehabilitation Program(s)**

<b>Rehabilitation Program</b>	<b>No. Units</b>
Bergen County Home Improvement Program	3
<b>TOTAL</b>	<b>3</b>

**B. Plan to Address Prior Round Obligation**

**Prior Round RDP Credits**

Demarest is addressing a portion of the prior round Realistic Development Potential (RDP) obligation with four post-1986 credits and nine RCA credits. In accordance with N.J.A.C. 5:97-4.1(d), all credits will be verified and validated during monitoring subsequent to substantive certification pursuant to N.J.A.C. 5:96-11.

***Alpine Country Club: Bellaire Drive Inclusionary Development***

Demarest will utilize an approved site specific inclusionary development project, the Alpine Country Club/Bellaire Drive project, to address 4 units of its prior round obligation. Located at Block 120, Lot 11.31, this project was the subject of a Court Settlement Agreement whereby the Borough and the site’s owner, the Alpine Country Club, agreed to provide four age-restricted affordable units on-site and nine family rentals through a payment-in-lieu contribution to fund the below mentioned RCA with Hoboken. The site consists of 8.44 acres zoned “AH” and permits a density of 4.6 units per acre through townhomes and apartment flats for a total of 38 units. The Borough granted the Alpine Country Club approval to subdivide 0.17 acres of the site for the affordable units and the remaining 8.27 acres for the market rate units on September 8, 2004. According to the Borough’s Plan, one of the four age-restricted

affordable units has already received a certificate of occupancy while the remaining three are under construction by the contractor, American Properties at Demarest, LLC. All four units will be condominium ownership units.

The Borough has submitted to COAH an executed contract designating the Housing Authority of Bergen County as the Administrative Agent for this project. The affordable units must meet the requirements of the Uniform Housing Affordability Controls (N.J.A.C. 5:80-1 et seq.) with regard to controls on affordability, affirmative marketing, pricing, low/moderate split and bedroom distribution. Prior to marketing the affordable units, Demarest must submit the required items pursuant to N.J.A.C. 5:97-6.4(k). [**Four age-restricted for-sale credits**]

***Regional Contribution Agreement (RCA) with Hoboken***

Demarest transferred \$225,000 for nine units at \$25,000 per unit to Hoboken City, Hudson County for the Northwest Hoboken Redevelopment Area project. The project consisted of 216 rental units of which 50 units were to be deed restricted affordable units funded with RCA funds from Demarest (9 units), North Haledon (17 units), and Wanaque (24 units), as well as Hudson County HOME and Balanced Housing funds. Hoboken subsequently substituted the Northwest Redevelopment Area project with a 100 percent affordable rental project; the Adams Street project. Located at 1118 Adams Street (Block 104, Lot 1.02), the Adams Street project is a 90-unit six story mid-rise consisting of 62 two-bedroom units, 28 three-bedroom units and subterranean parking. COAH approved Demarest's RCA with Hoboken on November 22, 2004 following the New Jersey Housing and Mortgage Agency's (HMFA) approval of same on October 20, 2004. The Hoboken Department of Community Development administers all the units in accordance with N.J.A.C. 5:97-9 and the Uniform Housing Affordability Controls (UHAC). [**Nine RCA rental credits**]

**Post-1986 Credits  
 (Toward RDP of 23)**

<b>Project/Development Name</b>	<b>Year Built or Approved</b>	<b>Type of Affordable Unit</b>	<b>No. Units/Bedrooms</b>	<b>Bonus Type</b>	<b>No. Bonuses</b>	<b>Total Eligible Units/Bedrooms/Bonuses</b>
Alpine Country Club Inclusionary Project	2004	Senior for-sale	4	N/A	0	4
Demarest/Hoboken RCA (1118 Adams Street)	2004	Family rental	9	N/A	0	9
<b>TOTALS</b>			<b>13</b>		<b>0</b>	<b>13</b>

**Proposed Affordable Housing Mechanisms**

Demarest proposes to address the remaining 10-unit RDP through the following mechanism:

***Accessory Apartment Program***

Demarest will rely on an accessory apartment program to address the remaining ten units of its prior round obligation. Per its prior round Judgment of Compliance, Demarest adopted an Accessory Apartment Ordinance, Ordinance No. 842, on August 20, 2001. Accessory apartments are permitted within the A, BB, or B residential zoning districts. The Borough had committed \$10,000 per unit for ten units from its affordable housing trust fund; however, no accessory apartments have been created to date. The Borough has amended its accessory apartment program to be consistent with COAH’s revised third round rules. Accordingly, the Borough is allocating \$250,000 to its accessory apartment program. In addition, accessory units addressing the prior round shall have 30-year controls on affordability pursuant to N.J.A.C. 5:97-3.5.

The Borough requests five rental credits and five rental bonuses for this accessory apartment program. Demarest has submitted a resolution of intent to appropriate funds or to bond in the event of any shortfall in funding for this program. Furthermore, Demarest has submitted a contract designating the Housing Authority of Bergen County as the administrative entity for this program along with a draft operating manual that includes a description of the program procedures and administration in accordance with UHAC. Lastly, Demarest has submitted an affirmative marketing plan for this program. Demarest must adopt the accessory apartment ordinance and affirmative marketing plan within 45 days of the date of substantive certification. **[Five accessory units and five rental bonuses]**

**Proposed Prior Round Affordable Housing Mechanisms**

<b>Type/Name of Affordable Housing Mechanism</b>	<b>Type of Affordable Unit</b>	<b>No. Units/Bedrooms</b>	<b>Bonus Type</b>	<b>No. Bonuses</b>	<b>Total Eligible Units/Bedrooms/Bonuses</b>
Alpine Country Club Inclusionary Project	Age-restricted for-sale	4	N/A	0	4
Accessory Apartment Ordinance	Family rental	5	rental	5	10
Demarest/Hoboken RCA	RCA rental	9	N/A	0	9
<b>TOTALS</b>		<b>18</b>		<b>5</b>	<b>23</b>

***Unmet Need***

Pursuant to N.J.A.C. 5:97-5.3(a), all components designed to address unmet need as part of a municipality's prior round certification shall continue in full force (for example, overlay zoning shall be retained) and any affordable housing units created thereunder shall be credited toward unmet need until such time as the municipality has provided for its entire unmet need. Demarest's Judgment of Compliance required that the Borough adopt an accessory apartment ordinance and a development fee ordinance as mechanisms to address its unmet need. Although Demarest adopted both a development fee ordinance and accessory apartment ordinance in 2001, the Borough has not created any accessory apartments to date. Demarest will utilize its revised accessory apartment program to address unmet need above the five units assigned to its prior round RDP. In addition, Demarest will expand its Market to Affordable program to address unmet need above the three units allotted to its adjusted growth share obligation. **[43-unit Unmet Need]**

**Proposed Prior Round Unmet Need Mechanisms  
 (Toward Unmet Need of 43)**

<b>Type/Name of Affordable Housing Mechanism</b>	<b>Type of Affordable Unit</b>	<b>No. Units/Bedrooms</b>	<b>Total Eligible Units/Bedrooms/Bonuses</b>
Accessory Apartment Program	Family rental	5	5
Market to Affordable Program	Family for-sale	7	7
<b>TOTALS</b>		<b>12</b>	<b>12</b>

**Prior Round Obligation Parameters**

Demarest has satisfied the applicable Prior Round parameters as follows:

**Prior Round Rental Obligation:<sup>5</sup> 6 Units**

<b>Development/Project Name</b>	<b>Type of Affordable Unit</b>	<b>No. Units</b>
Accessory Apartment Program	Family rentals	5
Demarest/Hoboken RCA	RCA rental	9
<b>TOTAL</b>		<b>14</b>

<sup>5</sup> Rental Obligation: Pursuant to N.J.A.C. 5:97-3.11(b), the Rental Requirement = 0.25(23) or 5.75 units

**Prior Round Age-Restricted Maximum (RDP)<sup>6</sup> : 4 Units**

Development/Project Name	Type of Affordable Unit	No. Units
Alpine Country Club Inclusionary Project	Age-restricted for-sale	4
<b>TOTAL</b>		<b>4</b>

**Prior Round Age-Restricted Maximum (Unmet Need)<sup>7</sup> : 9 Units**

Development/Project Name	Type of Affordable Unit	Units
N/A	N/A	0
<b>TOTAL</b>		<b>0</b>

**Regional Contribution Agreement (RCA) Maximum (RDP)<sup>8</sup>: 13 Units**

Receiving Municipality	Type of Affordable Unit	No. Units
Hoboken RCA/Adams St. Project	RCA rental	9
<b>TOTAL</b>		<b>9</b>

**Prior Round Rental Bonus Maximum<sup>9</sup> : 6 Units**

Development/Project Name	Type of Bonus	No. Bonuses
Accessory Apartment Program	Family rental	5
<b>TOTAL</b>		<b>5</b>

**C. Plan to Address Projected Growth Share**

**Growth Share Obligation Credits**

Demarest's Housing Element and Fair Share Plan does not include any growth share obligation credits.

<sup>6</sup> Age-Restricted Maximum (RDP): Pursuant to N.J.A.C. 5:97-3.11(c)2, the Age-restricted Maximum = 0.25(23-9) or 3.5 units

<sup>7</sup> Age-Restricted Maximum (Unmet Need): Pursuant to N.J.A.C. 5:97-3.11(c)2, the Age-restricted Maximum = 0.25(43-9) or 8.5 units

<sup>8</sup> RCA Maximum: Pursuant to N.J.A.C. 5:97-3.11(d), the RCA Maximum = 0.5(23 + 4 - 1) or 13 units

<sup>9</sup> No rental bonuses shall be granted for rental units in excess of the prior round rental obligation, therefore, PR Rental Bonus Maximum = PR Rental Obligation

### **Proposed Affordable Housing Mechanisms**

Demarest proposes to address its 20-unit adjusted growth share obligation through the following mechanisms:

#### **127 Hardenburgh Avenue (Municipally-Sponsored/ 100% Affordable Project)**

Demarest will utilize a municipally-sponsored and 100 percent affordable project consisting of eight affordable rentals and four rental bonuses to address 12 units of its projected growth share obligation. In fact, the project is eligible for five rental bonuses pursuant to N.J.A.C. 5:97-3.20. The project is proposed to be constructed on a Borough-owned lot located at 127 Hardenburgh Avenue (Block 23, Lot 13). Located in the Residential D zoning district, the site is a 0.38-acre corner lot located adjacent to a bank and across from a multi-family apartment complex. There are no known environmental constraints on the site. Demarest will partner with a non-profit or for-profit affordable housing developer to develop this project with five two-bedroom units, two three-bedroom units and one single-bedroom unit.

Pursuant to N.J.A.C. 5:97-6.7(d), Demarest has submitted a draft agreement, including a schedule for the construction of the units, with the Housing Authority of Bergen County, which must be executed within 45 days of substantive certification. In addition, the Borough has submitted a draft pro forma statement for the development and a copy of an anticipated application for State and Federal funds. Furthermore, the Borough has submitted to COAH an executed contract designating the Housing Authority of Bergen County as the Administrative Agent for this project.

Demarest submitted to COAH a draft Minor Technical Amendment on November 16, 2009 which was adopted by its Planning Board on December 9, 2009 and Endorsed by the Borough Council on December 21, 2009. Per the amendment, the Borough proposes to increase the number of units at 127 Hardenburgh Avenue from a total of eight units to a total of 12 units. Of the four additional units being proposed, the Borough will reserved two units for age-restricted households and two units for very low-income family households. The Borough has also amended its Spending Plan and has dedicated \$32,096 to this project.

The affordable units must meet the requirements of the Uniform Housing Affordability Controls (N.J.A.C. 5:80-1 et seq.) with regard to controls on affordability, affirmative marketing, pricing, low/moderate split and bedroom distribution. Prior to marketing the affordable units, Demarest must submit the required items pursuant to N.J.A.C. 5:97-6.7(e). **[10 family rental units, 2 age-restricted rental units and five rental bonuses]**

***Market to Affordable Program***

Demarest requests three rental credits toward its growth share obligation for a proposed ten-unit Market to Affordable program. The Borough asserts that approximately eight percent of its 131 renter-occupied dwellings cost less than \$1000 per month as of the last Census. Accordingly, the Borough is dedicating \$30,000 per unit for a total cost of \$90,000 to create one affordable family and two age-restricted rental units through its Market to Affordable program. Demarest anticipates entering into individual agreements with an existing landlord to create deed restricted affordable rentals. The Borough will use its affordable housing trust fund to finance this program. In addition, Demarest has submitted a resolution of intent to appropriate funds or to bond in the event of any shortfall in funding.

As previously mentioned, Demarest submitted a Minor Technical Amendment to its Fair Share Plan. Per the minor amendment, Demarest is proposing to fund an additional seven units through its Market to Affordable program to address the unmet need obligation. In addition, Demarest has amended the Market to Affordable program to reserve funding for the creation of three age-restricted units toward the growth share obligation, whereas the original petition only had two. The Borough has further amended its spending plan and has dedicated an additional \$160,000 to the Market to Affordable program for a total of \$250,000.

The units must be certified to be in sound condition as a result of an inspection performed by a licensed building inspector, be affirmatively marketed, and have the proper affordability controls, low/moderate split and pricing. Pursuant to N.J.A.C. 5:97-6.9(e), Demarest has submitted a draft operating manual that includes a description of the program procedures and administration in accordance with UHAC and an affirmative marketing plan, which it must adopt within 45 days of certification. In addition, Demarest has designated the Housing Authority of Bergen County as the administrative entity for the program. **[10-Unit Market to Affordable Program]**

***Supportive and Special Needs Housing***

Demarest's petition included a supportive and special needs project to address four units of its projected growth share obligation. However, per the Minor Technical Amendment, Demarest has increased the number of units in the 127 Hardenburgh Avenue 100 percent affordable project by four units and is no longer relying on the group home to address its growth share. **[Zero special needs rental units]**

**Proposed Growth Share Affordable Housing Mechanisms**

Type/Name of Affordable Housing Mechanism	Type of Affordable Unit	No. Units/Bedrooms	Bonus Type	No. Bonuses	Total Units/Bedrooms + Bonuses
Hardenburgh Avenue 100% Affordable Devt.	Family rental	10	Rental	5	15
Hardenburgh Avenue 100% Affordable Devt.	Age-restricted rental	2	N/A	0	2
Market to Affordable Program	Age-restricted rental	3	N/A	0	3
<b>TOTALS</b>		<b>15</b>		<b>5</b>	<b>20</b>

**Potential Growth Share Opportunities**

Demarest will rely on the same mechanisms utilized for the unmet need to address potential growth share opportunities. Pursuant to N.J.A.C. 5:97-5.3, any affordable housing units created under mechanisms addressing the unmet need shall be credited toward that need number until the entire unmet need is addressed.

**Growth Share Parameters**

Demarest will satisfy the applicable Growth Share parameters as follows:

**Growth Share Rental Obligation<sup>10</sup>: 5 Units**

Development/Project Name	Type of Affordable Unit	No. Units
127 Hardenburgh Avenue	Family rental	10
127 Hardenburgh Avenue	Age-restricted rental	2
Market to Affordable Program	Age-restricted rental	3
<b>TOTAL</b>		<b>15</b>

<sup>10</sup> Projected Growth Share Rental Obligation: 0.25(Projected Growth Share) or 0.25(20)= 5 units N.J.A.C. 5:97-3.10(b)3

**Growth Share Family Rental Requirement<sup>11</sup> : 3 Units**

Development/Project Name	Type of Affordable Unit	No. Units
127 Hardenburgh Avenue	Family rental	10
<b>TOTAL</b>		<b>10</b>

**Growth Share Minimum Family Requirement<sup>12</sup> : 8 Units**

Development/Project Name	Type of Affordable Unit	No. Units
127 Hardenburgh Avenue	Family rental	10
<b>TOTAL</b>		<b>10</b>

**Very Low Income Minimum Requirement<sup>13</sup> : 2 Units**

Development/Project Name	Type of Affordable Unit	No. Units
127 Hardenburgh Avenue	Family rental	2
<b>TOTAL</b>		<b>2</b>

**Age-Restricted Maximum<sup>14</sup> : 5 Units**

Development/Project Name	Type of Affordable Unit	No. Units
127 Hardenburgh Avenue	Age-restricted rental	2
Market to Affordable Program	Age-restricted rental	3
<b>TOTAL</b>		<b>5</b>

<sup>11</sup> Projected Growth Share Family Rental Requirement:  $0.5(\text{Projected Growth Share Rental Requirement})$  or  $0.5(5) = 2.5$  units  
N.J.A.C. 5:97-3.4(b)

<sup>12</sup> Projected Growth Share Family Requirement:  $0.5(\text{Units Addressing the Growth Share Obligation})$  or  $0.5(20-5) = 7.5$  units  
N.J.A.C. 5:97-3.9

<sup>13</sup> Growth Share Very Low Income Requirement:  $0.13(\text{adjusted growth share} - \text{bonuses addressing growth share})$  or  $0.13(20-5) = 1.95$  or 2 units pursuant to P.L.2008, c.46

<sup>14</sup> Projected Growth Share Age Restricted Maximum:  $.25(\text{Projected Growth Share})$  or  $.25(20) = 5$  units N.J.A.C. 5:97-3.11(c)3

**Bonus Maximum<sup>15</sup>: 5 Bonuses**

<b>Development/Project Name</b>	<b>Type of Bonus</b>	<b>No. Bonuses</b>
127 Hardenburgh Avenue	Family rental	5
<b>TOTAL</b>		<b>5</b>

**Actual Growth Share Obligation**

The actual growth share obligation will be based on permanent certificates of occupancy issued within the Borough for market-rate residential units and newly constructed or expanded non-residential developments in accordance with Appendix D of N.J.A.C. 5:97. At plan evaluation review pursuant to N.J.A.C. 5:96-10, COAH will compare the actual growth share obligation with the actual number of affordable units constructed.

The New Jersey Department of Community Affairs (NJ DCA) *Construction Reporter* indicates that between January 1, 2004 and September 30, 2008, Demarest has issued certificates of occupancy for 77 housing units and also for the nonresidential square footage equivalent of 183 jobs, yielding an actual growth share obligation through September 30, 2008, of 27 affordable units. As previously mentioned however, Division of Codes and Standards staff and the Demarest Construction Official reviewed CO records and a correction was made to the published *Construction Reporter* data by the Division of Codes and Standards. Non-residential growth in the Borough was adjusted downward to reflect the demolition of an A-2 assembly structure. The Borough has submitted a signed certification from the construction code official indicating the most recent uses of the demolished structures (using UCC standards), the demolition dates for each structure and a statement indicating whether the structures were occupied at least one year prior to the demolition, which validates the exclusions claimed for non-residential demolitions. As a result of the Borough's validation of its non-residential demolition, the Borough's growth share to date is 18 units consisting of 77 housing units and 38 jobs.<sup>16</sup>

<sup>15</sup> Projected Bonus Maximum:  $0.25(\text{Projected Growth Share})$  or  $0.25(20)= 5$  units N.J.A.C. 5:97-3.20

<sup>16</sup> The number of residential COs (77) is initially divided by 5 to yield 15.4 units and the number of jobs (38) is initially divided by 16 to yield 2.4 units. Demarest's total actual growth share is therefore 18 units (15.4+2.4). **Note:** This number does not take into account allowable exclusions permitted under N.J.A.C. 5:97-2.5; therefore, the actual growth share may vary.

**D. Summary of Plan to Address Fair Share Obligation**

**REHABILITATION SHARE SUMMARY**

**Rehabilitation Share: 4 Units**

<b>Program Name</b>	<b>No. Units</b>
Bergen County Home Improvement Program	4
<b>TOTAL</b>	<b>4</b>

**PRIOR ROUND SUMMARY**

**Prior Round Obligation: 23 Units**

	<b>Name of Mechanism</b>	<b>No. Units/Bedrooms</b>	<b>Bonus Type</b>	<b>No. Bonuses</b>	<b>Total Eligible Units/Bedrooms + Bonuses</b>
<b>Post-1986 Credits</b>	Alpine Country Club: Bellaire Drive Inclusionary Project	4	N/A	0	<b>4</b>
	Hoboken RCA/1118 Adams Street	9	N/A	0	<b>9</b>
<b>Subtotal</b>		<b>13</b>		<b>0</b>	
<b>Proposed Mechanisms</b>	Accessory Apartment Program	5	Rental	5	<b>10</b>
<b>Subtotal</b>		<b>5</b>		<b>5</b>	
<b>TOTAL</b>					<b>23</b>

**GROWTH SHARE SUMMARY**

**Projected Growth Share Obligation: 20 Units**

	<b>Name of Mechanism</b>	<b>No. Units/Bedrooms</b>	<b>Bonus Type</b>	<b>No. Bonuses</b>	<b>Total Units/Bedrooms + Bonuses</b>
<b>Proposed Mechanisms</b>	127 Hardenburgh Avenue	12	Rental	5	<b>17</b>
	Market to Affordable Program	3	N/A	0	<b>3</b>
<b>Subtotal</b>		<b>15</b>		<b>5</b>	
<b>TOTAL</b>					<b>20</b>

### **III. FAIR SHARE DOCUMENT REVIEW**

#### **A. Development Fee Ordinance**

Demarest's certified plan included a development fee ordinance that was approved by COAH on September 27, 2001, and adopted by the Borough on August 20, 2001. Demarest submitted a draft amended development fee ordinance for COAH's review and approval with its third round petition. The amended development fee ordinance was approved on March 17, 2009.

#### **B. Third Round Spending Plan**

Demarest's prior round spending plan was approved by COAH on September 27, 2001. A revised third round spending plan was submitted by Demarest with the Borough's third round petition for COAH's review and approval. The spending plan will be reviewed by COAH in a separate report.

#### **C. Affordable Housing Ordinance/Affordable Housing Administration**

Demarest has an adopted affordable housing ordinance for its prior round obligation. Demarest has submitted a revised draft affordable housing ordinance that comports with the requirements of the Uniform Housing Affordability Controls (UHAC), N.J.A.C. 5:80-26.1 et seq., which was amended on December 20, 2004. The draft proposed ordinance has been amended to comply with the barrier free subcode of the State Uniform Construction Code Act (N.J.S.A. 52:27D-119 et seq.) and the accessibility requirements of N.J.S.A. 52:27D-123.15. The draft ordinance must be adopted within 45 days of COAH's grant of substantive certification and submitted to COAH immediately upon adoption.

An ordinance establishing the position of a municipal housing liaison and a resolution appointing a municipal housing liaison were adopted by the Borough on January 1, 2007.

Demarest is responsible for the continued re-sale and re-rental of existing affordable units and the initial sale and rental of newly constructed affordable units within the Borough and must identify an experienced administrative entity for that purpose by the contract, agreement or letter. Demarest has submitted a contract designating the Housing Authority of Bergen County as the administrative entity for all its affordable units. Pursuant to N.J.A.C. 5:80-26.14(b), Demarest has submitted a written operating manual for administering affordable units within the Borough.

#### **D. Affirmative Marketing Plan**

Demarest has submitted an affirmative marketing plan pursuant to the requirements of UHAC to ensure the units in the Borough's 1987-2018 Fair Share Plan and all future affordable housing units will

be affirmatively marketed to the region upon initial sale/rental and re-sale/re-rental. Once approved by COAH, the affirmative marketing plan must be adopted by resolution by Demarest within 45 days of COAH's grant of substantive certification and submitted to COAH.

#### **IV. MONITORING**

Demarest must comply with COAH monitoring requirements as set forth in N.J.A.C. 5:96-11, including reporting the Borough's actual growth pursuant to N.J.A.C. 5:97-2.5. As indicated above, credits for built units will be validated and verified during monitoring prior to the first biennial plan evaluation. It should be noted that credits for affordable housing programs and/or affordable units must be in compliance with N.J.A.C. 5:97-4 in order for credit to be retained. If the units are determined not to be eligible for credit, COAH will notify Demarest in writing and the Borough may be directed to amend its certified plan to address the shortfall.

Pursuant to N.J.A.C. 5:96-10.1, COAH will conduct biennial plan evaluations upon substantive certification of Demarest's Housing Element and Fair Share Plan. The purpose of the plan evaluation is to verify that the construction or provision of affordable housing has been in proportion to the actual residential growth and employment growth in the Borough and to determine that the mechanisms addressing the projected growth share obligation continue to present a realistic opportunity for the creation of affordable housing. If upon any biennial review the difference between the number of affordable units constructed or provided in Demarest and the number of units required pursuant to N.J.A.C. 5:97-2.5 results in a prorated production shortage of 10 percent or greater or Demarest is not adhering to its implementation schedule pursuant to N.J.A.C. 5:97- 3.2(a)4, or the mechanisms addressing the projected growth share obligation no longer present a realistic opportunity for the creation of affordable housing, the Council may direct Demarest to amend its plan to address the shortfall.

#### **V. RECOMMENDATION**

COAH staff recommends that Demarest be granted third round substantive certification. Demarest must adopt all necessary implementing ordinances within 45 days of the grant of substantive certification and submit certified copies of the adopted ordinances to COAH within seven days of the adoption. In addition, the Borough must execute the developer's agreement with the Housing Authority of Bergen County for the Hardenburgh Avenue project within 45 days of substantive certification.

## **APPENDIX A**

[Revised Growth Projection Adjustment data for Demarest](#)

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

**Municipality Name: Borough of Demarest - COAH Revised**

This workbook contains two separate worksheets to be used for determining the projected Municipal Growth Share Obligation. Worksheet A must be completed by all municipalities. The Worksheet is a tool that allows the user to enter COAH-generated Growth Projections included in Appendix F(2) of the revised Third Round Rules to determine the projected Growth Share Obligation after applying exclusions permitted by N.J.A.C. 5:97-2.4. Municipalities that accept the COAH-generated Growth projections need only use Worksheet A.  
[Click Here to complete Worksheet A](#)

Municipalities seeking to request a downward adjustment to the COAH-generated growth projections may do so by providing a detailed analysis of municipal land capacity. After completing this analysis, the growth projections may be lowered if the resulting growth share obligation results in a figure that is at least 10 percent lower than the projected Growth Share Obligation that would result from the COAH-generated growth projections. Actual growth must first be determined using the Actual Growth worksheet. A growth projection adjustment may only apply to any remaining growth.

[Click Here to Enter Actual Growth to Date](#)  
[Click Here to Complete the Residential Parcel Inventory and Capacity Analysis](#)  
[Click Here to Complete the Non-residential Parcel Inventory and Capacity Analysis](#)

**Summary Of Worksheet Comparison**

	<b>COAH Projected Growth Share</b> (From Worksheet A)	<b>Growth Share Based on Municipal Capacity</b> (From Worksheet C)
Residential Growth	193	108
Residential Exclusions	20	20
Net Residential Growth	173	88
Residential Growth Share	34.60	17.58
Non-Residential Growth	142	38
Non-Residential Exclusions	0	0
Net Non- Residential Growth	142	38
Non-Residential Growth Share	8.88	2.37
Total Growth Share	43	20

**The Municipal land capacity analysis results in a reduction to the COAH-generated growth projection. Please file Workbook C and use a Residential Growth Share of 17.58 plus a Non-residential Growth Share of 2.37 for a total Growth Share Obligation of 20 affordable units**

Appendix B.

January 23, 2018 Settlement Agreement



Peter J. O'Connor, Esq.  
Kevin D. Walsh, Esq.  
Adam M. Gordon, Esq.  
Laura Smith-Denker, Esq.  
David T. Rammler, Esq.  
Joshua D. Bauers, Esq.

December 27, 2017

Wendy Rubinstein, Esq.  
DeCotiis, Fitzpatrick, Cole & Giblin, LLP  
Glenpointe Centre West  
500 Frank W. Burr Blvd., Suite 31  
Teaneck, NJ 07666

**Re: In the Matter of the Application of the Borough of Demarest, County of Bergen, Docket No. BER-L-6301-15**

Dear Ms. Rubinstein:

This letter memorializes the terms of an agreement reached between the Borough of Demarest (the "Borough" or "Demarest"), the declaratory judgment plaintiff, and Fair Share Housing Center ("FSHC"), a Supreme Court-designated Interested party in this matter in accordance with In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1, 30 (2015)(Mount Laurel IV) and, through this settlement, a defendant in this proceeding.

#### **Background**

Demarest filed the above-captioned matter on July 8, 2015 seeking a declaration of its compliance with the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq. in accordance with In re N.J.A.C. 5:96 and 5:97, supra. The Borough and FSHC appeared before the Hon. Menelaos W. Toskos, J.S.C., and worked with Elizabeth C. McKenzie, AICP, PP, the Court-appointed Special Master, to revise the Borough's affordable housing plan. Through this process, the Borough and FSHC have agreed to settle the litigation and to present the settlement to the trial court with jurisdiction over this matter for review and approval, recognizing that the settlement of Mount Laurel litigation is favored because it avoids delays and the expense of trial and results more quickly in the construction of homes for lower-income households.

#### **Settlement terms**

The Borough and FSHC hereby agree to the following terms:

1. FSHC agrees that the Borough, through the mechanisms described in this agreement, and the adoption and implementation of a Housing Element and Fair Share Plan ("the Plan"), consistent with the mechanisms outlined in this agreement, satisfies its obligations under the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq., for the Prior Round (1987-1999) and Third Round (1999-2025).
2. At this time and at this particular point in the process resulting from the Supreme Court's Mount Laurel IV decision, when fair share obligations have yet to be definitively determined, it is appropriate for the parties to arrive at a settlement regarding a municipality's Third Round Obligation instead of doing so through plenary adjudication of the Third Round Obligation.

A handwritten signature in cursive, likely reading "RJC", is located in the bottom right corner of the page.

3. FSHC and Demarest hereby agree that Demarest's affordable housing obligations are as follows:

Rehabilitation Share (per Kinsey Report <sup>1</sup> )	0
Prior Round Obligation (pursuant to N.J.A.C. 5:93 <sup>2</sup> )	66
Third Round (1999-2025) Obligation (per Kinsey Report, as adjusted through this settlement agreement)	309

4. For purposes of this agreement, the Third Round Obligation shall be deemed to include both the Expanded Gap Period Present Need, which is a measure of households formed from 1999-2015 that need affordable housing, as recognized by the Supreme Court in its January 18, 2017 decision in In re Declaratory Judgment Actions Filed By Various Municipalities, 227 N.J. 508 (2017), and the Third Round Prospective Need, addressing the fair share obligation projected to arise during the period between July , 2015, and July 1, 2025.
5. FSHC and the Borough agree that Demarest does not accept the methodology or calculations proffered by FSHC's consultant, David N. Kinsey, PhD, P.P., F.A.I.C.P. The Parties agree to the terms in this agreement solely for purposes of settlement of this action. Although the Borough does not accept the basis of the methodology or calculations proffered by FSHC's consultant, FSHC contends and is free to take the position before the Court that the 309 unit Third Round Obligation should be accepted by the Court because it is based on the Prior Round methodology and reflects a reduction from Dr. Kinsey's May, 2016, calculation of the Borough's Third Round Obligation.
6. The Borough does not have any calculated Rehabilitation Share and so no mechanisms are needed or required to meet the Rehabilitation Share.
7. As noted above, the Borough has a Prior Round Obligation of 66 units. This obligation was reduced by a vacant land adjustment ("VLA") which was previously approved by the Superior Court and later accepted by the New Jersey Council on Affordable Housing (COAH). The Borough's Prior Round realistic development potential ("RDP") as calculated in the previously approved VLA is 23 units. The Borough thus has a Prior Round Unmet Need of 43 units.
8. The Prior Round RDP of 23 units is satisfied as follows:

RDC

<sup>1</sup> David N. Kinsey, PhD, PP, FAICP, NEW JERSEY LOW AND MODERATE INCOME HOUSING OBLIGATIONS FOR 1999-2025 CALCULATED USING THE NJ COAH PRIOR ROUND (1987-1999) METHODOLOGY, May, 2016.

<sup>2</sup> As determined by COAH.

PRIOR ROUND RDP MECHANISMS & CREDITS						
Mechanism	Credit Type	Tenure	Age-Restricted	Credit	Bonus	Total
RCA Hoboken	RCA	New Rental	No	9		9
Alpine Country Club	Inclusionary	Sale	Yes	4		4
Advancing Opportunities, Inc. (B 2, L 51.02)	Alt. Living Arrangement	Rental	No	4	4	8
95 County Road* (B 145, L 5)	Inclusionary	Rental	No	1	1	2
Total				18	5	23

\*Future Mechanism

9. Pursuant to the framework set forth in N.J.A.C. 5:93-4.2 and as agreed upon by FSHC, the Borough and Special Master McKenzie, Demarest's Third Round Realistic Development Potential (hereinafter "RDP") is calculated at 8 units, although, with rental bonuses, the Borough will be able to satisfy an RDP of 9. The RDP has been calculated based on a Vacant Land Analysis (see Exhibit A) and adding in affordable units created between 1999 and 2017 or proposed to be created between 2017 and 2025. The calculated RDP is based on the following:
- a. 3 unit RDP from the Vacant Land Analysis
  - b. 2 units to be created at 95 County Road (Block 145, Lot 5)
  - c. 3 units to be created at 127 Hardenburgh Avenue (Block 23, Lot 13)

10. The 9-unit RDP will be able to be satisfied as follows:

THIRD ROUND RDP MECHANISMS & CREDITS						
Mechanism	Credit Type	Tenure	Age-Restricted	Credit	Bonus	Total
95 County Road* (B 145, L 5)	Inclusionary	Rental	No	1	1	2
127 Hardenburgh Ave.* (B 23, L 13)	Inclusionary	Rental	No	6	1	7
Total				7	2	9

\*Future Mechanism

11. The 9 credits, subtracted from the Third Round obligation of 309 units, results in an unmet need of 300 units. This, added to the Prior Round unmet need, which is 43, totals 343. The combined unmet need shall be addressed through the following mechanisms:

*RAC*

PRIOR & THIRD ROUND UNMET NEED MECHANISMS & CREDITS						
Mechanism	Credit Type	Tenure	Age-Restricted	Credit	Bonus	Total
127 Hardenburgh Ave. (B 23, L 13)*	Inclusionary	Rental	No	2		2
Accessory Apt Ordinance*	Acc. Apts	Rental	No	10		10
Downtown Rehabilitation Area*	Inclusionary	TBD	No	TBD		TBD
Alpine Country Club Overlay Zone (B 120, L13)*	Inclusionary	TBD	TBD	TBD		TBD
Borough-Wide Set-aside Ordinance*	Inclusionary	TBD	TBD	TBD		TBD
Total				TBD	TBD	TBD

\*Future Mechanism

12. The Borough will provide a realistic opportunity for the development of affordable housing through the adoption of inclusionary zoning on the following sites:

- a. 95 County Road (Block 145, Lot 5) – An inclusionary zoning ordinance will be drafted that will permit a maximum of 8 multi-family units in two buildings. Within the development, two affordable rental units shall be reserved for a low and a moderate income household and one shall be a two-bedroom unit and one shall be a three-bedroom unit.
- b. 127 Hardenburgh Avenue (Block 23, Lot 13) – The Borough has designated this site and other parcels within the “downtown” area as an Area in Need of Rehabilitation. The Borough is in the process of crafting a Redevelopment Plan that will permit this site to be developed with a maximum of 16 units. Of this total, at least 8 will be required to be reserved for affordable housing, all to be affordable family rental units. If fewer total units are constructed, the Borough will nevertheless require at least 50% of any units constructed to be set aside as affordable family rental units.
- c. Downtown Rehabilitation Area – The Borough has designated the “downtown” area along Hardenburgh Avenue as an Area in Need of Rehabilitation as shown in Exhibit B to this Agreement. The Borough is in the process of crafting a Redevelopment Plan for this area that will permit multi-family residential units at a permitted density of 25 units per acre for lots containing less than 12,000 square feet; 30 units per acre for lots between 12,000 and 20,000 square feet and 35 units per acre for lots containing more than 20,000 square feet. These multi-family uses will be located above first floor non-residential uses. Sites with multi-family housing will be required to provide a 15% set-aside for rental affordable units and a 20% set-aside for for-sale affordable units.
- d. Alpine Country Club (unmet need overlay) – An overlay on the Alpine Country Club (Block 120, Lot 13) would only be required pursuant to the terms set forth in this paragraph. The Borough contends that pursuant to a settlement of Prior Round

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builder's remedy litigation brought by Alpine Country Club and resulting in development of a portion of the Alpine Country Club property for inclusionary residential development, that the Alpine Country Club was required to record a deed restriction restricting the remainder of the Alpine Country Club property from future development for any purpose other than a golf course and that such settlement was adjudged to be fair by the Hon. Jonathan N. Harris, J.S.C. However, as of the date of signing of this settlement agreement, the Borough has been unable to confirm whether that deed restriction was ever recorded. The Borough shall, no later than 120 days after the entry of an order approving the fairness of this Agreement, either: (a) produce evidence of such a recorded deed restriction satisfactory to the Special Master and FSHC; or (b) produce a Court Order resulting from a motion to enforce litigants rights or similar action that the Borough may choose to file after the date of this Agreement that requires entry of such deed restriction consistent with the terms of the prior Alpine Country Club settlement. If neither of these options are satisfied within 120 days after the entry of an Order approving the fairness of this Agreement, or such extended time period as may be agreed to by consent of all parties, the Borough shall adopt an overlay zone on the Alpine Country Club property in the form of a planned unit development which will be subject to a general development plan approval due to the size of the golf course property. The overlay zone would permit a variety of residential units at a density of 6 units per acre, but the Borough may cap the maximum number of units at 960. The ordinance would require open space and recreation within the development. The development would be required to provide a 15% set-aside for rental affordable units and a 20% set-aside for for-sale affordable units and to otherwise comply with all of the parameters of this settlement agreement.

13. The Borough will provide a realistic opportunity for the development of additional affordable housing that will be developed or created through means other than inclusionary zoning in the following ways:

- a. An Accessory Apartment Ordinance. The Borough has an existing accessory apartment ordinance, but has worked with the Special Master to update the ordinance and expand the areas where accessory apartments will be permitted. The revised ordinance also increases the payment to the homeowner to \$20,000.
- b. A Mandatory Set-aside Ordinance. The Borough will adopt a Mandatory Set-aside Ordinance that requires a 20% set-aside if the affordable units will be for-sale and a 15% set-aside if the affordable units will be for rent, for all new multi-family residential developments of five (5) or more additional units (over and above those already permitted as of right), that are developed at a density of six (6) or more units per acre and that become permissible through either a use variance, a density variance increasing the permissible density at the site, a rezoning permitting multi-family residential housing where not previously permitted or a new redevelopment plan. This does not give any developer the right to any such rezoning, variance, redevelopment designation or other relief, or establish any obligation on the part of Demarest to grant such rezoning, variance, redevelopment designation or other relief. This provision shall not apply to sites zoned for inclusionary residential development to meet the RDP or to overlay zones created to meet the unmet need in the Borough's HEFSP, which sites and zones shall

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comply with the applicable zoning or redevelopment plan requirements for the provision of affordable housing as outlined in this agreement. No site shall be permitted to be subdivided so as to avoid compliance with this requirement.

14. The Borough agrees to require 13% of all units referenced in this plan, with the exception of units already constructed or approved as of July 1, 2008, to be very low income units, with half of the very low income units being available to families. Based upon the agreed-upon Third Round RDP of 98, there is a requirement for 1 unit to be reserved for a very low income household. The municipality will comply with this requirements as follows:
  - a. 1 very low income unit at 127 Hardenburgh Avenue.
  - b. A 13% very low income housing set-aside will be imposed on the development within the Downtown Rehabilitation Area and as part of the Borough's Mandatory Set-aside Ordinance for all rental units constructed pursuant to these regulations.
  - c. A 13% very low income housing set-aside will be imposed on the development of the Alpine Country Club property as part of the inclusionary overlay zoning that is required if the property is not deed restricted against development.
15. The Borough shall meet its Third Round Obligation in accordance with the following standards as agreed to by the Parties and reflected in the table in paragraph 6 above:
  - a. Third Round bonuses will be applied in accordance with N.J.A.C. 5:93-5.15(d).
  - b. At least 50 percent of the units addressing the Third Round Obligation shall be affordable to very-low-income and low-income households with the remainder affordable to moderate-income households.
  - c. At least twenty-five percent of the Third Round Obligation shall be met through rental units, including at least half in rental units available to families.
  - d. At least half of the units addressing the Third Round Obligation in total must be available to families.
  - e. The Borough agrees to comply with an age-restricted cap of 25% and to not request a waiver of that requirement. This shall be understood to mean that in no circumstance may the municipality claim credit toward its fair share obligation for age-restricted units that exceed 25% of all units developed or planned to meet its cumulative prior round and third round fair share obligations, including both the RDP and the unmet need.
16. The Borough shall add to the list of community and regional organizations in its affirmative marketing plan, pursuant to N.J.A.C. 5:80-26.15(f)(5), Fair Share Housing Center, the New Jersey State Conference of the NAACP, and the Latino Action Network, Bergen County NAACP, Bergen County Urban League, and Bergen County Housing Coalition and shall, as part of its regional affirmative marketing strategies during its implementation of this plan, provide notice and copies of application forms to those organizations of all available affordable housing units. The Borough also agrees to require any other entities, including

developers or persons or companies retained to do affirmative marketing, to comply with this paragraph.

17. All units shall include the required bedroom distribution, be governed by controls on affordability and affirmatively marketed in conformance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et. seq. or any successor regulation, with the exception that in lieu of 10 percent of affordable units in rental projects being required to be at 35 percent of median income, 13 percent of affordable units in such projects shall be required to be at 30 percent of median income, and all other applicable law. The Borough as part of its HEFSP shall adopt and/or update appropriate implementing ordinances in conformance with standard ordinances and guidelines developed by COAH to ensure that this provision is satisfied. Income limits for all units that are part of the Plan required by this Agreement and for which income limits are not already established through a federal program exempted from the Uniform Housing Affordability Controls pursuant to N.J.A.C. 5:80-26.1 shall be updated by the Borough annually within 30 days of the publication of determinations of median income by HUD as follows:
  - a. Regional income limits shall be established for the region that the Borough is located within (i.e. Region 1) based on the median income by household size, which shall be established by a regional weighted average of the uncapped Section 8 income limits published by HUD. To compute this regional income limit, the HUD determination of median county income for a family of four is multiplied by the estimated households within the county according to the most recent decennial Census. The resulting product for each county within the housing region is summed. The sum is divided by the estimated total households from the most recent decennial Census in the Borough's housing region. This quotient represents the regional weighted average of median income for a household of four. The income limit for a moderate-income unit for a household of four shall be 80 percent of the regional weighted average median income for a family of four. The income limit for a low-income unit for a household of four shall be 50 percent of the HUD determination of the regional weighted average median income for a family of four. The income limit for a very low income unit for a household of four shall be 30 percent of the regional weighted average median income for a family of four. These income limits shall be adjusted by household size based on multipliers used by HUD to adjust median income by household size. In no event shall the income limits be less than those for the previous year.
  - b. The income limits attached hereto as Exhibit C are the result of applying the percentages set forth in paragraph (a) above to HUD's determination of median income for FY 2017, and shall be utilized until the Borough updates the income limits after HUD has published revised determinations of median income for the next fiscal year.
  - c. The Regional Asset Limit used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)3 shall be calculated by the Borough annually by taking the percentage increase of the income limits calculated pursuant to paragraph (a) above over the previous year's income limits, and applying the same percentage increase to the Regional Asset Limit from the prior year. In no event shall the Regional Asset Limit be less than that for the previous year.
  - d. The parties agree to request the Court prior to or at the fairness hearing in this matter to enter an order implementing this paragraph of this Agreement.

18. All new construction units shall be adaptable in conformance with P.L.2005, c.350/N.J.S.A. 52:27D-311a and -311b and all other applicable law.
19. As an essential term of this settlement, within one hundred twenty (120) days of Court's approval of this Settlement Agreement, the Borough shall adopt a final Housing Element and Fair Share Plan incorporating the terms of this Settlement Agreement and introduce ordinances providing for the amendment of the Borough's Affordable Housing Ordinance and Zoning Ordinance to implement the terms of this settlement agreement and the zoning contemplated herein.
20. The parties agree that if a decision of a court of competent jurisdiction within COAH's Region 1 (Bergen, Hudson, Sussex, or Passaic Counties), or a determination by an administrative agency responsible for implementing the Fair Housing Act, or an action by the New Jersey Legislature, would result in a calculation of an obligation for the Borough for the period 1999-2025 that would be lower by more than ten (10%) percent than the total prospective Third Round need obligation established in this agreement (which in the case of Demarest would be an obligation of 247 or lower), and if that calculation is memorialized in an unappealable final judgment, the Borough may seek to amend the judgment in this matter to reduce its fair share obligation accordingly. Notwithstanding any such reduction, the Borough shall be obligated to implement the fair share plan attached hereto, including by leaving in place any site specific zoning adopted or relied upon in connection with the Plan approved pursuant to this settlement agreement; taking all steps necessary to support the development of any 100% affordable developments referenced herein; maintaining all mechanisms to address unmet need; and otherwise fulfilling fully the fair share obligations as established herein. The reduction of the Borough's obligation below that established in this agreement does not provide a basis for seeking leave to amend this agreement or seeking leave to amend an order or judgment pursuant to R. 4:50-1. If the Borough prevails in reducing its prospective need for the Third Round, the Borough may carry over any resulting extra credits to future rounds in conformance with the then-applicable law.
21. The Borough shall also prepare and adopt a spending plan within one hundred twenty (120) days of the Court's approval of this Settlement Agreement. The Borough reserves the right to request the Court's approval that the expenditures of funds contemplated under the revised spending plan constitute "commitment" for expenditure pursuant to N.J.S.A. 52:27D-329.2 and -329.3, with the four-year time period for expenditure designated pursuant to those provisions beginning to run with the entry of a final judgment approving this settlement in accordance with the provisions of In re Tp. Of Monroe, 442 N.J. Super. 565 (Law Div. 2015) (aff'd 442 N.J. Super. 563). On the first anniversary of the "Judgment of Compliance and Repose" or "the judicial equivalent of substantive certification", and every anniversary thereafter through the end of the repose period, the Borough agrees to provide annual reporting of trust fund activity to the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to Fair Share Housing Center and posted on the municipal website, using forms developed for this purpose by the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services. The reporting shall include an accounting of all housing trust fund activity, including the sources and amounts of funds collected and the amount and purpose for which any funds have been expended.

22. On the first anniversary of the "Judgment of Compliance and Repose" or "the judicial equivalent of substantive certification", and every anniversary thereafter through the end of this repose period, the Borough agrees to provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to Fair Share Housing Center, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC.
23. The Fair Housing Act includes two provisions regarding action to be taken by the Borough during the ten-year period of protection provided in this agreement. The Borough agrees to comply with those provisions as follows:
- For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, the Borough will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its implementation of its Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether any mechanisms to meet unmet need should be revised or supplemented. Any interested party may by motion request a hearing before the court regarding these issues.
  - For the review of very low income housing requirements required by N.J.S.A. 52:27D-329.1, within 30 days of the third anniversary of the "Judgment of Compliance and Repose" or "the judicial equivalent of substantive certification", and every third year thereafter, the Borough will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its satisfaction of its very low income requirements, including the family very low income requirements referenced herein.
24. FSHC is hereby deemed to have party status in this matter and to have intervened in this matter as a defendant without the need to file a motion to intervene or an answer or other pleading. The parties to this agreement agree to request the Court to enter an order declaring FSHC is an intervenor, but the absence of such an order shall not impact FSHC's rights.
25. Within 30 days of the entry of an order approving this settlement agreement at a duly-noticed Fairness Hearing, the Borough agrees to pay FSHC's reasonable attorney's fees of \$4,000.
26. This settlement agreement must be approved by the Court following a fairness hearing as required by Morris Cty. Fair Hous. Council v. Boonton Twp., 197 N.J. Super. 359, 367-69 (Law Div. 1984), aff'd o.b., 209 N.J. Super. 108 (App. Div. 1986); East/West Venture v. Borough of Fort Lee, 286 N.J. Super. 311, 328-29 (App. Div. 1996). The Borough shall present its planner as a witness at this hearing. The Court-appointed Special Master shall also appear as a witness at this hearing. FSHC agrees not to challenge a Housing Element and Fair Share Plan that is prepared and adopted consistent with the compliance mechanisms set forth in this agreement. In the event the Court approves this proposed settlement, the parties contemplate that the municipality will receive either a "Judgment of Compliance and Repose" or "the judicial equivalent of substantive certification and accompanying protection as provided under the FHA," as addressed in the Supreme Court's decision in In re N.J.A.C. 5:96 & 5:97, 221 N.J. 1, 36 (2015), which shall be determined by the trial judge. The "accompanying protection" shall remain in effect

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through July 1, 2025. If the settlement agreement is rejected by the Court at a fairness hearing, it shall be null and void.

27. If an appeal is filed of the Court's approval or rejection of the Settlement Agreement, the Parties agree to defend the Agreement on appeal, including in proceedings before the Superior Court, Appellate Division and New Jersey Supreme Court, and to continue to implement the terms of the Settlement Agreement if the Agreement is approved before the trial court unless and until an appeal of the trial court's approval is successful at which point, the Parties reserve their right to rescind any action taken in anticipation of the trial court's approval. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement.
28. This settlement agreement may be enforced through a motion to enforce litigant's rights or a separate action filed in Superior Court, Bergen County. A prevailing movant or plaintiff in such a motion or separate action shall be entitled to reasonable attorney's fees.
29. Unless otherwise specified, it is intended that the provisions of this Agreement are to be severable. The validity of any article, section, clause or provision of this Agreement shall not affect the validity of the remaining articles, sections, clauses or provisions hereof. If any section of this Agreement shall be adjudged by a court to be invalid, illegal, or unenforceable in any respect, such determination shall not affect the remaining sections.
30. This Agreement shall be governed by and construed by the laws of the State of New Jersey.
31. This Agreement may not be modified, amended or altered in any way except by a writing signed by each of the Parties.
32. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same Agreement.
33. The Parties acknowledge that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each party is the proper person and possess the authority to sign the Agreement, that this Agreement contains the entire understanding of the Parties and that there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.
34. Each of the Parties hereto acknowledges that this Agreement was not drafted by any one of the Parties, but was drafted, negotiated and reviewed by all Parties and, therefore, the presumption of resolving ambiguities against the drafter shall not apply. Each of the Parties expressly represents to the other Parties that: (i) it has been represented by counsel in connection with negotiating the terms of this Agreement; and (ii) it has conferred due authority for execution of this Agreement upon the persons executing it.
35. This Agreement constitutes the entire Agreement between the Parties hereto and supersedes all prior oral and written agreements between the Parties with respect to the subject matter hereof except as otherwise provided herein.
36. No member, official or employee of the Borough shall have any direct or indirect interest in this Settlement Agreement, nor participate in any decision relating to the Agreement which is prohibited by law, absent the need to invoke the rule of necessity.

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37. Anything herein contained to the contrary notwithstanding, the effective date of this Agreement shall be the date upon which all of the Parties hereto have executed and delivered this Agreement.
38. All notices required under this Agreement ("Notice[s]") shall be written and shall be served upon the respective Parties by certified mail, return receipt requested, or by a recognized overnight or by a personal carrier. In addition, where feasible (for example, transmittals of less than fifty pages) shall be served by facsimile or e-mail. All Notices shall be deemed received upon the date of delivery. Delivery shall be affected as follows, subject to change as to the person(s) to be notified and/or their respective addresses upon ten (10) days notice as provided herein:

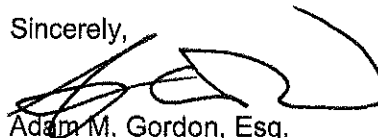
**TO FSHC:** Adam M. Gordon, Esq.  
Fair Share Housing Center  
510 Park Boulevard  
Cherry Hill, NJ 08002  
Phone: (856) 665-5444  
Telecopier: (856) 663-8182  
E-mail: adamgordon@fairsharehousing.org

**TO THE BOROUGH:** Wendy Rubinstein, Esq.  
DeCotiis, Fitzpatrick, Cole & Giblin, LLP  
Glenpointe Centre West  
500 Frank W. Burr Blvd., Suite 31  
Teaneck, NJ 07666  
  
Telecopier: (201) 928-0588  
Email: wrubinstein@decotiislaw.com

**WITH A COPY TO THE MUNICIPAL CLERK:** Susan Crosman, Municipal Clerk  
Borough of Demarest  
118 Serpentine Road  
Demarest, New Jersey 07627  
  
Telecopier: (201) 768-2581  
Email: crosman@demarestnj.org

Please sign below if these terms are acceptable.

Sincerely,



Adam M. Gordon, Esq.  
Counsel for Intervenor/Interested Party  
Fair Share Housing Center

On behalf of the Borough of Demarest, with the authorization  
of the governing body and Planning Board:



Raymond F. Czerwinski

RAYMOND F. CZERWINSKI

Dated: JAN. 23, 2018

**EXHIBIT A: VACANT LAND ANALYSIS/RDP**

Borough of Demarest  
Vacant Land Inventory

09/16/2015

Block	Lot	Address	Owner	Zoning	Planning Area	Sewer	Total Acres	Constrained Acres	Buildable Acres	Constraint Description	Comments	Include in RDP	Potential Units	RDP
2	1	12 HARDENBURGH AVE	HOAGLAND, DAVID P & KIM M	R-D	PA1	Yes	0.05	0.00	0.05			No		
2	40	KNICKERBOCKER RD	BORO OF DEMAREST	R-D	PA1	Yes	0.01	0.00	0.01		Undersized Lot	No		
6	346	STEWART ST	BORO OF DEMAREST	R-D	PA1	Yes	0.05	0.00	0.05		Undersized Lot	No		
8	498	COLUMBUS RD	BORO OF DEMAREST	R-D	PA1	Yes	0.09	0.00	0.09		Undersized Lot	No		
19	1	11 OLD COUNTY COURT	WIGGERS, DONALD G. & GARY J.	R-BB	PA1	Yes	0.68	0.68	0.00	Wetlands	Environmentally Constrained	No		
19	4.03	295 COUNTY RD	BORO OF DEMAREST	R-BB	PA1	Yes	0.45	0.45	0.00	Wetlands	Environmentally Constrained	No		
22	895	36 STELFOX ST	BOROUGH OF DEMAREST	R-D	PA1	Yes	0.10	0.00	0.10		Undersized Lot	No		
22	941	SPRING LA	LAMON, MELISSA	R-D	PA1	Yes	0.08	0.00	0.08		Undersized Lot	No		
22	943	SPRING LANE	BORO OF DEMAREST	R-D	PA1	Yes	0.07	0.00	0.07		Undersized Lot	No		
23	13	127 HARDENBURGH AVE	BOROUGH OF DEMAREST	R-D	PA1	Yes	0.47	0.00	0.47		Potential Infill Development	No		
23	14			R-D	PA1	Yes	0.11	0.00	0.11		Undersized Lot	No		
23	23	118 SERPENTINE RD	BOROUGH OF DEMAREST	R-D	PA1	Yes	0.36	0.00	0.36		Potential Infill Development	No		
35	76	COLUMBUS RD	BORO OF DEMAREST	R-D	PA1	Yes	0.06	0.00	0.06		Undersized Lot	No		
46	681	18 CHRISTIE ST	DAY, RALPH	R-D	PA1	Yes	0.40	0.12	0.28	Wetlands	Potential Infill Development	No		
50	27	PIERMONT RD	BORO OF DEMAREST	R-D	PA1	Yes	0.14	0.14	0.00	SFHA, Wetlands, C1	Undersized Lot	No		
52	22		Borough of Demarest	R-D	PA1	Yes	0.09	0.09	0.00	SFHA, C1	Undersized Lot	No		
52	23			R-D	PA1	Yes	0.23	0.23	0.00	SFHA, C1	Environmentally Constrained	No		
52	24			R-D	PA1	Yes	0.22	0.22	0.00	SFHA	Environmentally Constrained	No		
54	9			R-D	PA1	Yes	0.39	0.39	0.00	SFHA	Environmentally Constrained	No		
61	170	CHESTNUT ST	VANVORST, CLIFTON & DOROTHY E.	R-B	PA1	Yes	0.54	0.00	0.54		Potential Infill Development	No		
73	159			R-B	PA1	Yes	0.18	0.00	0.18		Potential Infill Development	No		
80	4.01	326 HARDENBURGH AVE	SILVER(ETAL), STEPHEN G	R-A	PA1	Yes	0.25	0.00	0.25		Potential Development with Adjacent	Yes	5	1
80	4.02	324 HARDENBURGH AVE	ETHAN BROOKE LLC	R-A	PA1	Yes	0.23	0.00	0.23		Potential Development with Adjacent	Yes	Included with Lot 4.01	
80	4.03	320 HARDENBURGH AVE	SILVER, STEPHEN G. (ETAL)	R-A	PA1	Yes	0.34	0.13	0.21	C1	Potential Development with Adjacent	Yes	Included with Lot 4.01	
80	4.04	316 HARDENBURGH AVE	SILVER, STEPHEN G. (ETAL)	R-C	PA1	Yes	0.57	0.57	0.00		Environmentally Constrained	No		
80.02	3			R-C	PA1	Yes	0.20	0.00	0.20		Potential Infill Development	No		
80.02	8			R-C	PA1	Yes	0.17	0.00	0.17		Potential Infill Development	No		
86.01	11.02	291 HARDENBURGH AVE	YOUNG, TONY & CHRISTINE LEE	R-C	PA1	Yes	0.09	0.09	0.00	C1	Undersized Lot	No		
86.01	12.01			R-C	PA1	Yes	0.09	0.09	0.00	C1	Undersized Lot	No		
86.03	1	ORCHARD RD	BORO OF DEMAREST	R-C	PA1	Yes	0.22	0.22	0.00	SFHA, Steep Slopes, Wetlands	Environmentally Constrained	No		
86.03	2			R-C	PA1	Yes	0.20	0.20	0.00	SFHA, Wetlands	Environmentally Constrained	No		
86.03	3			R-C	PA1	Yes	0.22	0.22	0.00	SFHA, Wetlands	Environmentally Constrained	No		
86.03	4			R-C	PA1	Yes	0.21	0.21	0.00	Wetlands	Environmentally Constrained	No		
86.03	5			R-C	PA1	Yes	0.31	0.31	0.00	Wetlands	Environmentally Constrained	No		
89	16	14 ROBIN RD	STEGMAYER, PAUL J. & NAOMI M.	R-C	PA1	Yes	0.35	0.07	0.28	Wetlands	Potential Infill Development	No		
96	1	54 BROOK WAY	KRETSCHMER, KLAUS & LINDA	R-C	PA1	Yes	0.62	0.62	0.00	SFHA	Environmentally Constrained	No		
119	1.05	DUANE LA	SYLCO INVESTMENTS #6 LLC	R-A	PA1	Yes	1.33	1.33	0.00	Wetlands, C1	Environmentally Constrained	No		
119	1.06			R-A	PA1	Yes	1.81	1.81	0.00	Wetlands, C1	Environmentally Constrained	No		
119	1.07	DUANE LA	SYLCO INVESTMENTS #8 LLC	R-A	PA1	Yes	5.89	5.89	0.00	Wetlands, C1	Environmentally Constrained	No		
120	1.03	DUANE LA	SYLCO INVESTMENTS #9 LLC	R-A	PA1	Yes	3.74	2.35	1.39	Wetlands, C1	Potential Development	Yes	11	2
120	1.04	DUANE LA	SYLCO INVESTMENTS #10 LLC	R-A	PA1	Yes	5.19	4.96	0.23	Wetlands, C1	Environmentally Constrained	No		
120	1.05	Duane Lane	Sylco Investments #11 LLC	R-A	PA1	Yes	8.11	4.05	4.06	Wetlands, C1	Approved Subdivision	No		
124	1	72 GLENWOOD AVE	WRIGHT, KAREN ETALS	R-D	PA1	Yes	0.03	0.02	0.01	C1	Undersized Lot	No		
124	2			R-D	PA1	Yes	0.04	0.02	0.02	C1	Undersized Lot	No		
124	3			R-D	PA1	Yes	0.04	0.02	0.03	C1	Undersized Lot	No		
154	13	JOHN ST	BORO OF DEMAREST	R-B	PA1	Yes	0.07	0.00	0.07		Undersized Lot	No		
Total							35.06	25.47	9.59			No		3



**EXHIBIT B: AREA IN NEED OF REHABILITATION MAP**

**REVISED  
REHABILITATION  
STUDY AREA**

**BOROUGH  
OF  
DEMAREST**

**BERGEN COUNTY  
NEW JERSEY**

**Legend**

-  Study Area
-  Borough Parcels



1 inch = 120 feet

This map was developed using NJDEP and County GIS digital data, but this secondary product has not been verified by NJDEP and is not state-authorized.



June 2017



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## EXHIBIT C: 2017 INCOME LIMITS

Prepared by Affordable Housing Professionals of New Jersey (AHPNJ) - August 2017

### 2017 AFFORDABLE HOUSING REGIONAL INCOME LIMITS BY HOUSEHOLD SIZE

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

		1 Person	*1.5 Person	2 Person	*3 Person	4 Person	*4.5 Person	5 Person	6 Person	7 Person	8+ Person	Max Increase		Regional Asset
												Rents**	Sales***	Limit****
Region 1 Bergen, Hudson, Passaic and Sussex	Median	\$60,271	\$64,576	\$68,882	\$77,492	\$86,102	\$89,546	\$92,990	\$99,878	\$106,766	\$113,655	1.7%	1.99%	\$166,493
	Moderate	\$48,217	\$51,661	\$55,105	\$61,993	\$68,882	\$71,637	\$74,392	\$79,903	\$85,413	\$90,924			
	Low	\$30,136	\$32,288	\$34,441	\$38,746	\$43,051	\$44,773	\$46,495	\$49,939	\$53,383	\$56,827			
	Very Low	\$18,081	\$19,373	\$20,664	\$23,248	\$25,831	\$26,864	\$27,897	\$29,963	\$32,030	\$34,096			
Region 2 Essex, Morris, Union and Warren	Median	\$65,953	\$70,663	\$75,374	\$84,796	\$94,218	\$97,987	\$101,755	\$109,293	\$116,830	\$124,368	1.7%	3.25%	\$180,756
	Moderate	\$52,762	\$56,531	\$60,299	\$67,837	\$75,374	\$78,389	\$81,404	\$87,434	\$93,464	\$99,494			
	Low	\$32,976	\$35,332	\$37,687	\$42,398	\$47,109	\$48,993	\$50,878	\$54,646	\$58,415	\$62,184			
	Very Low	\$19,786	\$21,199	\$22,612	\$25,439	\$28,265	\$29,396	\$30,527	\$32,788	\$35,049	\$37,310			
Region 3 Hunterdon, Middlesex and Somerset	Median	\$73,780	\$79,050	\$84,320	\$94,860	\$105,400	\$109,616	\$113,832	\$122,264	\$130,696	\$139,128	1.7%	0.38%	\$200,698
	Moderate	\$59,024	\$63,240	\$67,456	\$75,888	\$84,320	\$87,693	\$91,066	\$97,811	\$104,557	\$111,302			
	Low	\$36,890	\$39,525	\$42,160	\$47,430	\$52,700	\$54,808	\$56,916	\$61,132	\$65,348	\$69,564			
	Very Low	\$22,134	\$23,715	\$25,296	\$28,458	\$31,620	\$32,885	\$34,150	\$36,679	\$39,209	\$41,738			
Region 4 Mercer, Monmouth and Ocean	Median	\$66,022	\$70,738	\$75,454	\$84,885	\$94,317	\$98,090	\$101,862	\$109,408	\$116,953	\$124,498	1.7%	1.53%	\$177,413
	Moderate	\$52,817	\$56,590	\$60,363	\$67,908	\$75,454	\$78,472	\$81,490	\$87,526	\$93,562	\$99,599			
	Low	\$33,011	\$35,369	\$37,727	\$42,443	\$47,158	\$49,045	\$50,931	\$54,704	\$58,476	\$62,249			
	Very Low	\$19,807	\$21,221	\$22,636	\$25,466	\$28,295	\$29,427	\$30,559	\$32,822	\$35,086	\$37,349			
Region 5 Burlington, Camden and Gloucester	Median	\$58,240	\$62,400	\$66,560	\$74,880	\$83,200	\$86,528	\$89,856	\$96,512	\$103,168	\$109,824	1.7%	2.09%	\$154,194
	Moderate	\$46,592	\$49,920	\$53,248	\$59,904	\$66,560	\$69,222	\$71,885	\$77,210	\$82,534	\$87,859			
	Low	\$29,120	\$31,200	\$33,280	\$37,440	\$41,600	\$43,264	\$44,928	\$48,256	\$51,584	\$54,912			
	Very Low	\$17,472	\$18,720	\$19,968	\$22,464	\$24,960	\$25,958	\$26,957	\$28,954	\$30,950	\$32,947			
Region 6 Atlantic, Cape May, Cumberland, and Salem	Median	\$51,085	\$54,734	\$58,383	\$65,681	\$72,979	\$75,898	\$78,817	\$84,655	\$90,494	\$96,332	1.7%	0.00%	\$136,680
	Moderate	\$40,868	\$43,787	\$46,706	\$52,545	\$58,383	\$60,718	\$63,054	\$67,724	\$72,395	\$77,066			
	Low	\$25,543	\$27,367	\$29,192	\$32,840	\$36,489	\$37,949	\$39,409	\$42,328	\$45,247	\$48,166			
	Very Low	\$15,326	\$16,420	\$17,515	\$19,704	\$21,894	\$22,769	\$23,645	\$25,397	\$27,148	\$28,900			

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

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

\*\* This column is used for calculating the pricing for rent increases for units as per N.J.A.C. 5:97-9.3. The increase for 2015 was 2.3%, the increase for 2016 was 1.1% and the increase for 2017 is 1.7% (Consumer price Index for All Urban Consumers (CPI-U): Regions by expenditure category and commodity and service group). Landlords who did not increase rents in 2015 or 2016 may increase rent by up to the applicable combined percentage from their last rental increase for that unit. In no case can rent for any particular apartment be increased more than one time per year.

\*\*\* This column is used for calculating the pricing for resale increases for units as per N.J.A.C. 5:97-9.3. As per 5:97-9.3(b), 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.

Low income tax credit developments may increase based on the low income tax credit regulations.

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

Note: Since the Regional Income Limits for Region 6 in 2016 were higher than the 2017 calculations, the 2016 income limits will remain in force for 2017. See N.J.A.C. 5:97-9.2(c).

Appendix C.

2020 Settlement Agreement with Sylco

# SETTLEMENT AGREEMENT

This Agreement dated as of this 13<sup>th</sup> day of February, 2020 among: SYLCO INVESTMENTS 6, 8, 9 AND 10, LLCS, having a business address of 180 Sylvan Avenue, Englewood Cliffs, New Jersey 07632 (hereinafter "Developer");

THE BOROUGH OF DEMAREST, a municipal corporation of the State of New Jersey having offices at 118 Serpentine Road, Demarest, New Jersey 07627, (hereinafter "Borough"); and

THE PLANNING BOARD OF THE BOROUGH OF Demarest, the duly constituted Planning Board of the Borough of Demarest, having offices at 118 Serpentine Road, Demarest, New Jersey 07627 (hereinafter "Board").

WITNESSETH, whereas, the Borough has, pursuant to law, an obligation to provide a realistic opportunity for the construction for its fair share of the regional need of low and moderate income housing;

WHEREAS, the Borough previously secured a Judgment of Repose and Substantive Certification in connection with its affordable housing obligations; and

WHEREAS, the Borough of Demarest filed a Declaratory Judgment action captioned: In the Matter of the Application of the Borough of Demarest, a Municipal Corporation of the State of New Jersey, bearing Docket No.: BER-L-006301-15 ("Declaratory Judgment Action" or "DJA"). Pursuant to the Supreme Court's decision in In Re N.J.A.C. 5:96 and 5:97, 221 N.J. 1 (2015) ("Mount Laurel IV"); and

WHEREAS, the Borough was named a party defendant in a certain action in the Superior Court, Law Division, entitled Sylco Investments 6 LLC, et als. v. the Borough of Demarest, Borough Council of the Borough of Demarest; and the Planning Board of the Borough of Demarest, Docket No.: BER-L-006364-19; ("Builders Remedy Action" or "BRA"), which has been consolidated with the Borough's DJA and

WHEREAS, the Parties participated in court-ordered mediation and settlement discussions conducted by and between the parties with the assistance of the Court appointed Master, Elizabeth McManus, PP, AICP; and

WHEREAS, the Developer is the fee simple owner of certain property commonly referred to as The Frick Estate and designated as Block 119, Lots 1.05, 1.06 and 1.07 (which were to have been changed to Block 119, Lot 1.51), and Block 120, Lots 1.03 and 1.04 (which were to have been changed to Block 120, Lots 1.31, 1.32, 1.41 and 1.42) on the Tax Assessment maps of the Borough, which lots collectively consist of approximately 18.3 acres and are located east of the terminus of Duane Lane (collectively the "Property"); and

WHEREAS, as part of the settlement discussions, the parties have agreed upon certain terms and conditions for the Development of the Property and the facilitation of the construction of affordable housing within the Borough of Demarest.

## SECTION 1. Definitions

- A. "Development" shall mean the permitted development of the Property which will permit 24 units of market rate townhouse housing and associated improvements as depicted in the concept plan attached as Exhibit A.
- B. "Board" or "Planning Board" shall mean the duly constituted Planning Board of the Borough of Demarest, New Jersey.
- C. "Builders Remedy Action or BRA" shall mean the litigation captioned, Sylco Investments 6, LLC, et als. v. The Borough of Demarest, A Municipal Corporation of the State of New Jersey; the Borough Council of the Borough of Demarest; and the Planning Board of the Borough of Demarest bearing Docket No.: BER-L-006364-19.
- D. "Declaratory Judgment Action or DJA" shall mean the litigation filed by the Borough of Demarest entitled, In The Matter The Borough of Demarest, a Municipal Corporation of the State of New Jersey bearing Docket No.: BER-L- 006301-15.
- E. "Developer" shall mean Sylco Investments 6, 8, 9 and 10, LLCs and their successors and/or assigns to any interest in the Property.
- F. "Development Fee" shall mean any duly adopted ordinance of the Borough of Demarest which seeks to impose, or collect, a fee towards Demarest's affordable housing obligation as may be authorized by Holmdel Builders Association v Holmdel Township, 121 N.J. 550 (1990).
- G. "Effective Date of This Agreement" shall mean the date of entry of an Order by the Court approving this Agreement following either a Fairness Hearing or a Compliance Hearing, whichever comes first. This Agreement is not subject to approval of the Borough's entire DJA.
- H. "Off-Tract Improvement" shall mean any improvements that are not proposed to be directly located on the Property.
- I. "Ordinance" shall mean the zoning ordinance re-zoning the Property so as to permit without variance or waiver the Development contemplated by this Agreement as depicted in Exhibit B including the payment in lieu of actual construction of the 5 affordable unit obligation generated by the construction of the Development.
- J. "Property" shall mean the property commonly referred to as Frick Estate and designated as Block 119, Lots 1.05, 1.06 and 1.07 (which were to have been changed to Block 119, Lot 1.51), and Block 120, Lots 1.03 and 1.04 (which were to have been changed to Block 120, Lots 1.31, 1.32, 1.41 and 1.42) on the Tax Assessment maps of

the Borough of Demarest and located at the eastern terminus of Duane Lane, at the intersection of Brenner Place. Collectively, these 5 lots are referred to as the "Property".

- K. "Alpine Property" shall mean the property in the Borough of Alpine commonly referred to as Block 55, Lots 25.01, 26 and 30 on the Official Tax Map of the Borough of Alpine.
- L. "Site Plan Approval" shall mean, to the extent required for multi-family housing configurations, minor and/or preliminary and/or final site plan approval contemplated by this Agreement in accordance with the Ordinance.
- M. "Subdivision Approval" shall mean minor and/or preliminary and/or final approval of the subdivision contemplated by this Agreement, if any, and in accordance with the Ordinance or Development Plan further as generally depicted on the exhibits attached hereto.

## SECTION 2. Obligations of the Borough

The following shall be the obligations of the Borough and/or Board under this Agreement:

- a. In consideration of the mutual covenants and agreements herein contained, the settlement of the pending litigation and the Developer's agreement to provide a payment in lieu of 5 affordable housing units on the Property, the Borough and the Board shall grant to the Developer certain zoning amendments and site plan approval, as hereinafter provided, for the Development as of right.
- b. Within sixty (60) days following the Court's approval of this Agreement, and upon receipt of a complete submission, the Borough and/or Board shall (a) rezone the Property by adopting an Ordinance substantially in the form attached hereto as Exhibit B, and (b) hold a hearing on the next regularly scheduled Board meeting (which occurs not more than forty five (45) days following the rezoning) to review and consider for approval the site plan. The site plan may be changed and amended by the Developer, subject only to reasonable planning and engineering comments from the Borough's professionals, and consistent with the Ordinance referred to in subparagraph (a) above. It is the intention of the parties to this Agreement that the application shall be heard and considered as expeditiously as reasonably possible to accomplish the intent and purpose of this Settlement Agreement.
- c. Within forty five (45) days after a complete submission of architectural and engineering site plans by the Developer, the Board shall hold a hearing to review and consider for approval the site plan subject only to reasonable planning and engineering comments from the Borough's professionals, and consistent with the ordinance referred to in subparagraph (2a) above.
- d. The Ordinance shall provide for a new zone, to be known and designated as such, imposing all zoning, bulk and design requirements of the Borough that may apply to the Property to permit the Development of the Property. The modification shall ensure that

the Property can be developed as of right, without variance or waiver, substantially in accordance with the Development concept plan attached hereto as Exhibit A. Such Ordinance permits all current uses on the Property in addition to the new uses provided herein.

- e. The Board and Borough shall act in concert with the Developer to take action to ensure that neither the Borough, Board nor the County of Bergen or any other governmental agency requires the installation of any off-tract and/or off-site improvement if the need for the improvement does not solely and directly arise from the Development of the Property, and would not constitute a cost generating feature as defined in Section 4 of this Agreement. However, nothing contained in this sub paragraph is intended to create an obligation or require the Borough or Board to undertake off-site or off-tract improvements resulting from the Development unless the Developer agrees to pay the cost of such off-site or off-tract improvements.
- f. The Borough does hereby permit the Developer to access the Borough's sanitary sewer system to serve the Development and the Alpine Property. This obligation shall be expressly subject to the sanitary sewer system's capacity to adequately handle such connection, and the Borough and Bergen County Utilities Authority engineering analysis and approval of the connection and discharge of sanitary flow. The Borough shall take all steps necessary to effectuate Developer's access to such sanitary sewer system as herein provided. In the event that the townhouse units are not built, the Developer shall still have access to the Borough sanitary sewer system for any connections on or from the Property in Demarest and for any connections from the Alpine Property. In the event the Development is not approved or built, the Developer shall still have the right to connect the Alpine Property to the Borough sanitary sewer system however the Developer shall pay the sum of \$2,500.00 for each unit connected from the Alpine Property. If the Developer receives approval and develops the Development then there shall be no connection fee for the Alpine Property and structures to be built thereon since the Developer has agreed to the payments under Section 5 hereof.
- g. The Borough and Board will promptly adopt all necessary resolutions, ordinances, sign all applications, endorsements or other documents, and take such other actions as may be necessary to implement this Agreement, or any portion thereof, in accordance with the terms of this Agreement, the Concept Plan attached as Exhibit A, and the Ordinance attached as Exhibit B.
- h. The Borough and Board shall take no action inconsistent with this Agreement. The Borough and the Board shall each to the extent permitted by law, fully perform all of their obligations thereunder. The Borough agrees that it shall take no position on the impact of the development to the Developer's settlement with New Jersey Department of Environmental Protection ("NJDEP") action and the Permit issued by NJDEP pursuant thereto that originally led to the permission to develop the Property, and the establishment of the Environmental Conservation Restriction/Easement ("Conservation Restriction") currently encumbering the Property, and the Borough acknowledges that the Permit and Conservation Restriction remain and will continue to be effective notwithstanding the parties entering into this Agreement or any action taken by the parties pursuant hereto. After exhausting any appeal filed by the Developer, and if it agrees not to pursue any further appeal to obtain the NJDEP approval contemplated herein, Developer and/or Borough shall have the right to declare this Agreement null and void, and no payment shall be due from the Developer to the Borough except for

any development fees generated for the four (4) lot subdivision which shall remain in place under existing ordinances in place at the time of Approval of the Property. Notwithstanding such termination, the right set forth in Paragraph f above relating to the Alpine Property shall continue, and the Borough and the Board shall permit such connection notwithstanding the fact that this Agreement may be terminated in the future or was terminated by either party hereto.

- i. The Borough and Board agree that the provision of the agreed upon payment in lieu of 5 for sale units of affordable housing meeting the requirements of the Fair Housing Act and/or court mandated regulations and shall satisfy any and all obligations of the Developer as it concerns the construction of affordable housing or any Development Fee and this Property. If the Borough and/or Board shall fail to comply with the terms of this Agreement including, but not limited to, the adoption of the Master Plan and Fair Share Plan, Ordinance(s) and/or other land use amendments within the time frames established herein, the Developer may apply to the Court to declare this Agreement to be null and void and permit the Developer to pursue any remedies available to it under Mount Laurel IV 221 N.J. 1 (2015) and other applicable statute or case law, or seek specific performance or pursue and action in lieu of prerogative writ of mandamus to compel the Borough or the Board or both to act in accordance with the terms of this Agreement and the attachments hereto.
- j. The Developer has previously obtained approval for the subdivision of and construction on the Property for 4 single family homes and for the completion of Duane Lane to the cul-de-sac. The Developer shall have the right to complete Duane Lane to the cul-de-sac and do site clearing in order to maintain the aforementioned subdivision approval so it does not lapse. By the Developer installing such improvements, the Developer shall not waive any of its rights under this settlement nor its right to petition the NJDEP for a modification, extension, or resubmittal of the approvals previously obtained, or for any other approval for the Property to accommodate the proposed Development contemplated herein.

### SECTION 3. Expeditious Review.

The Board shall process, review and adjudicate all Development applications for the Property in an expeditious process in accordance with the time tables and deadlines set forth in the Municipal Land Use Law, N.J.S.A. 40:55D-1 et seq. including the holding of special meetings, if necessary, for the sole and exclusive purposes of reviewing and hearing the Developer's application(s). The Developer agrees to reimburse the Board \$750.00 per special meeting plus the reasonable costs for its engineer, planner's and Board's attorney's fees arising out of the special meeting. Specifically, the Board shall be obligated to review and decide the developer's application notwithstanding that other federal, state, county or other agencies approvals or permits may ultimately be required for the Development of the Property and, where appropriate, the granting of local approval "subject to" any such outstanding approvals in accordance with N.J.S.A. 40:55D-22.

- a. If required to complete the Process, the Board shall agree to hold special meetings, at the Developer's expense as set forth above for the sole processing of the Developers' application for Development.

- b. The Developer shall send copies of any plans, applications or reports directly to the Board's Attorney, Engineer and Planner. All municipal agencies including, but not limited to, all Borough and Board personnel, departments, agents, contractors and/or vendors required to review an application for Development or construction permit shall complete its review and provide comments or request revisions to an Application for Development within 45 days of receipt thereof by the Borough or the Board so as to permit compliance with the Process by the Borough and Board. The 45 day time limit that the Board has to hold a hearing to review and consider the site plan is as set forth in Section 2c above. It is the intent of the parties that all due consideration shall be given by the Planning Board to expeditiously review, have hearings and consider the application to the end that the intent and purposes of this Agreement are accomplished and that the Planning Board is acting in accordance with the law.
- c. The absence of a report or recommendation from any other municipal agency shall not be grounds for the denial of an application or for the delay of a hearing or action by the Board beyond the time period set forth in the Process.
- d. The Board shall not deny or delay its actions on an application for Development by the Developer because of the absence of any, or the dependency of any, approval by any other governmental agency that may make such approval a condition of the Board's approval.
- e. The Developer may waive any of the time periods set forth in the Process only by a writing signed by the Developer or its attorney or an authorized representative of the Developer unless given by the Developer at a public meeting which is recorded. No such waiver shall be required as a condition for the filing of an application, to the declaration of completeness or to the action of the Borough or Board thereon.

#### SECTION 4. Cost Generating Features.

The Borough and Board shall take all steps reasonably necessary to eliminate cost generating features, elements and processes which are inconsistent with the intent of this Agreement. The Developer shall construct the Development in substantially the configuration as shown on the exhibits attached hereto.

- a. For purposes of this Agreement, "cost generating" shall be defined by N.J.S.A. 52:27D-314b and N.J.A.C. 5:93-10.1.
- b. To the extent sections, elements, requirements or features of the Borough's ordinance and land use ordinance, or the Board's process of review of Development applications are cost generating, such sections, elements, requirements or features are deemed inconsistent with the terms of this Agreement, it shall be considered inapplicable to any

Development applications for the Property. In particular (including by way of example and not limitation), the Board shall grant relief from those checklist items requirements that require, to any extent: 1. the submission of other governmental approval as part of the Borough's and/or Board's completeness review; 2. The surveying, locating or identifying of trees or municipal-type improvements outside of the proposed area of disturbance and/or; 3. The installation of any off-tract or off-site improvements, the need for which improvements does not solely and directly arise from the Development of the Property or the Alpine Property and would not constitute a cost generating feature as defined in this Agreement

- c. The Borough and Board shall take those steps reasonably necessary to remove or waive such cost generating or inconsistent sections, elements, requirements and features from their respective ordinances and procedures or grant such waivers, exceptions or variances to ensure they are in their ability to develop an application for the Property.

#### SECTION 5. Affordable Housing Regulations/Payment in Lieu of Construction.

Pursuant to Borough Code section 175-46(e), and in order for it to be in compliance with the Mount Laurel decisions, the Developer shall be obligated to make a payment to the Borough's Affordable Housing Trust Fund in lieu of on-site affordable housing units. The total amount of such payment shall be One Million (\$1,000,000.00) Dollars paid through a series of payments as hereinafter provided. The payments shall be made based upon the milestones set forth herein:

- a. Upon the commencement of site work, road construction or excavation: Two Hundred Fifty Thousand (\$250,000.00) Dollars. The term 'site work' is specifically understood to exclude the eastern extension of Duane Lane including the construction of the cul-du-sac and site clearing of the Property.
- b. Upon the issuance of the first building permit(s) for actual construction of the first townhouse building: Two Hundred Fifty Thousand (\$250,000.00) Dollars.
- c. Upon issuance of the tenth (10<sup>th</sup>) certificate of occupancy to occupy residential units in the Development: Five Hundred Thousand (\$500,000.00) Dollars.
- d. Should the Developer be restricted to less than twenty four (24) townhouses due to NJDEP regulation or other environmental restriction, then, and in that event, the payments due in subparagraphs a-c above shall be proportionally reduced by the percentage of twenty four that is actually approved for construction. By way of example, should twenty (20) townhouses ultimately be approved, each of the payments above shall be reduced to  $20 \div 24 = 83 \frac{1}{3} \%$  of the agreed upon payments, (i.e. \$833,333.33 for twenty (20) units). If no townhouses are approved, then the obligation under this portion of the

Agreement shall be zero, and the terms and conditions of Section 6c shall control.

SECTION 6. Obligations of the Developer.

As long as the Borough and Board have not defaulted in their obligations under this Agreement, the Developer shall have the following obligations:

- a. Within sixty (60) days of the Effective Date of the ordinance to be adopted pursuant to this Agreement or after entry of a Final Judgment of Compliance, whichever last occurs, the Developer shall submit an application for Development pursuant to Section 2 of this Agreement to the Borough or Board for the Property which application shall be substantially in accordance with the concept plan attached hereto as Exhibit A. Thereafter, upon submission, the Developer will diligently prosecute its application for municipal approval and the approvals from other governmental agencies as may be required.
- b. The Developer will participate in a Fairness Hearing and/or Compliance Hearing before the Court cooperating with the Borough in securing a Final Judgment of Compliance and Statutory Repose for Mount Laurel 3<sup>rd</sup> Round affordable housing obligations.
- c. The Developer shall not be obligated to pay any Development Fee that may be due in accordance with the provisions of the Borough of Demarest ordinance since the Development shall generate the Payment in Lieu of Construction as set forth in Section 5, above, which shall fully satisfy any and all affordable housing obligations from the Development of the Property. In the event that the Development is abandoned and the original four (4) lot single-family subdivision is pursued, then all development fees otherwise due pursuant to the current ordinance will be due and payable consistent with such ordinance.
- d. The Developer shall enter into a Developer's Agreement, to be prepared by the Borough or Planning Board Attorney to set forth the terms and conditions of the construction work. The Developer's Agreement will be recorded against the Property and discharged when the Development is deemed substantially complete by the Borough Engineer. As part of the Developer's Agreement, the Developer shall post such performance and maintenance bonds, letters of credit, or other financial guarantees as may be reasonably required by the Borough consistent with Municipal Land Use Law requirements, including escrows to defray the Borough's costs for administrative, legal and engineering fees incurred to support the Development. Such performance guarantees shall be released consistent with MLUL provisions.

- e. The Developer or any successor homeowner's association to be formed shall provide and pay for street lighting, snow removal and trash collection privately, and may use borough vendors, if any, or may contract for such services independently. The Borough will provide a credit against *ad valorem* property taxes assessed against the Property to compensate the Developer and/or any successor homeowner's association for the costs of same as required by the New Jersey Municipal Services Act, N.J.S.A. 40:67.23.3, on a pro-rata or per dwelling basis as appropriate.

SECTION 7. Cooperation and Good Faith.

- a. The parties and all of their respective members, officers, agents, representatives, consultants and employees shall cooperate and conduct themselves in good faith to effectuate the terms and objectives of this Agreement.
- b. Such cooperation shall include, by way of example and not limitation, the timely submission and review of reports and documents; timely inspections; execution of documents or applications for other coordinate agencies endorsing any and all necessary application for the extension of utilities or facilities to the Property or the entity for permits or approvals necessary for the Development of the Property or the Alpine Property.

SECTION 8. General Provisions.

- a. No hereinafter enacted Borough Ordinance construction standard or Borough specifications for improvements required in connection with zoning, sub-division or site plan approvals shall apply to the Development and/or the Property, the sole exceptions being that reasonable application, permit and inspection fees shall be imposed at the current rates as of the time of the activity generating the fees.
- b. Provided the Borough and Board are not in default or breach of any of the provisions of this Agreement, or that this Agreement has been declared null and void as permitted by this Agreement, the Developer's covenant not to sue the Borough or bring any action or proceeding before the Courts or any other body having jurisdiction, for non-compliance with the provisions of any case law, statute or rule or regulation relating to the provision of affordable housing based upon the Property or directly relating to the actions referenced in this Agreement, shall remain in full force and effect. In the event of a breach by the Borough or the Board the Developer shall have all rights and remedies available to it as of the date immediately prior to the execution of this Agreement and no statute of limitations or other time limitations shall apply.

- c. This Agreement may be recorded at the Developer's option, at its cost and expense in the Bergen County Clerk's office. The recording of this Agreement shall not be deemed to create a lien on the Property.
- d. The Developer represents that it is the holder of fee simple title to the Property and/or has sufficient interest in the Property to pursue the applications for Development referred to in this Agreement.
- e. This Agreement shall be construed and enforced in accordance with the laws of the State of New Jersey.
- f. This Agreement shall not be amended or modified without the express and written consent of all parties which consent shall not be unreasonably withheld or delayed.
- g. Absent a material breach of this Agreement, no party to this Agreement shall cause an appeal to be taken contesting the validity of this Agreement or any of the actions deemed necessary in furtherance of this Agreement. In the event the Agreement is challenged by a third party, the Developer, Borough and Board agree to jointly defend such action and take any and all steps necessary to uphold the validity of this Agreement. The Borough and Board shall join the Developer as a party should any challenge or proceeding be filed or brought which directly or indirectly effects this Agreement, or any other actions taken pursuant to or which are related to this Agreement. In the event that any challenge or proceeding shall be filed or brought by a municipal entity other than Demarest which directly or indirectly affects this Agreement, the Borough and Board shall not take a position contrary to the Developer in any such challenge or proceeding. In the event any appeal is filed, be it a challenge to the Settlement Approval, zoning revision, and/or plans, site plan approval, or any other legal challenge, all time limits set by this Agreement shall be tolled for the period of time such appeal or litigation is pending. Developer shall have the right but not the obligation to continue to seek its approvals during the appeal process.
- h. The terms and conditions and obligations of this Agreement shall run with the land and shall bind the respective parties and respective heirs, executors, assigns or successors.
- i. By executing this Agreement, all parties so execute and acknowledge its validity and accordingly, agree to carry out the terms of this Agreement in good faith and to refrain from any and all acts which question or jeopardize this Agreement. All parties to this Agreement will execute any and all further documents and instruments necessary to effectuate this Agreement or to evidence the party's good faith, cooperation or compliance.
- j. To the extent feasible, the Borough agrees, contemporaneously with the introduction of any ordinance and at least ten (10) days prior to the adoption of any ordinance which may impact upon the subject

matter of this Agreement and/or the Development of the Property or the Alpine Property, to furnish to Developer and its attorney with a copy of such ordinance.. To the extent feasible, the Borough agrees to provide the Developer and its attorney with a copy of any and all resolutions which may impact upon the subject matter of this Agreement and/or the Development of the Property or the Alpine Property at least 3 days prior to the consideration thereof at a public meeting.

- k. This Agreement was the product of negotiation among the parties. No party shall be considered the drafting party against whom the terms of this Agreement shall be construed.
- l. This Agreement may be executed in counterparts.
- m. The terms of this Agreement, including specific enforcements of the obligations hereunder may be enforced by the commencement of an action in the Superior Court of New Jersey, Law Division, Bergen County or a motion in aid of litigant's rights in the pending matter. Notwithstanding any provision herein to the contrary, attorney fees and costs shall be reimbursed to the prevailing party in any such action for enforcement.
- n. The Developer's obligation to participate in seeking a final judgment of compliance and statutory repose as to the Borough's 3rd round affordable housing obligation is dependent upon the Borough and the Board's approval of the Development of the Property, conditioned on timely submission of plans and site plan application, and are, therefore, not severable from each other.
- o. The Board and Borough shall take no action opposing the development of certain property in the Borough of Alpine designated as Block 55, Lots 25.01, 26 and 30 on the Official Tax Map of the Borough of Alpine (the Alpine Property).
- p. If any portion of this Agreement shall be deemed to be found to be unlawful or unenforceable, such provisions shall be severable and the balance of this Agreement shall be enforceable in accordance with the terms provided.
- q. Nothing contained herein shall prevent the Developer from assigning its rights, in whole or in part, under the terms of this Agreement to a third party. The Developer will advise the Borough prior to any assignment of this Agreement and any assignee shall be bound and fully comply with all Developer obligations hereunder.

- r. Upon the execution hereof, this Agreement constitutes the entire Agreement between Sylco and the Borough and/or the Board. No prior agreement or understanding pertaining to the same shall be valid or of any force or effect, and the terms and conditions of this Settlement Agreement cannot be altered, changed, modified or added to, except in writing signed by the Developer, Borough and Board.
- s. All deadlines contained in this Agreement are hereby tolled and extended pursuant to any and all Federal and/or State directives, orders or the like connected in any fashion to the COVID-19 health crisis.

**IN WITNESS WHEREOF**, the Developer and the Borough and the Board have duly executed this Agreement the date and first year written above.

**THIS IS THE END OF THE DOCUMENT TEXT  
SIGNATURES AND EXHIBITS FOLLOW**

**IN WITNESS WHEREOF**, we sent hereunto our hand and seal as of the date first written above.

*Dominic J. Papay*  
Attest:

*Dominic J. Papay*  
Attest:

*Dominic J. Papay*

**SYLCO INVESTMENTS 6, LLC**

BY: 

**SYLCO INVESTMENTS 8, LLC**

BY: 

**SYLCO INVESTMENTS 9, LLC**

Attest:

*Dennis Papay*  
Attest:

BY:

**SYLCO INVESTMENTS 10, LLC**

BY:

**BOROUGH OF DEMAREST**

*Susan Crosman*  
Attest: Susan Crosman, RMC

*Melinda J. Iannuzzi*  
BY: Melinda J. Iannuzzi-Mayor

**PLANNING BOARD OF THE  
BOROUGH OF DEMAREST**

*Susan Crosman*  
Attest: Susan Crosman-Secretary

*Brian T. Keane*  
BY: Brian T. Keane-Chairman

**STATE OF NEW JERSEY)**

) ss:

**COUNTY OF BERGEN )**

**BE IT REMEMBERED** that on this 10<sup>th</sup> day of June, 2020, before the subscriber, a (Notary Public/Attorney at Law) of New Jersey, personally appeared Richard Kurka who being by me duly sworn on his oath deposes and makes proof to my satisfaction that:

(a) he/she is the Managing Member of Sylco Investments 6 LLC, Sylco Investments 8 LLC, Sylco Investments 9 LLC and Sylco Investments 10 LLC, the companies named in this document, and is duly authorized to execute this Agreement on behalf of the company;

(b) this document was signed and delivered by the company as its duly authorized, voluntary act, for the purposes expressed herein.

Subscribed and sworn to before me this  
10<sup>th</sup> day of June, 2020

*Denise J. Papay*

**DENISE J. PAPAY**  
**NOTARY PUBLIC OF NEW JERSEY**  
**COMM. NO. 50042416**  
**MY COMMISSION EXPIRES JULY 25, 2021**

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STATE OF NEW JERSEY)

) ss:

COUNTY OF BERGEN )

**BE IT REMEMBERED** that on this 20<sup>th</sup> day of May, 2020, before the subscriber, a (Notary Public/Attorney at Law) of New Jersey, personally appeared SUSAN CROSMAN, who being by me duly sworn on her oath deposes and makes proof to my satisfaction that:


(a) she is the Borough Clerk of the Borough of Demarest, the municipal corporation name.cl in the within instrument;

(b) Melinda J. Iannuzzi is the Mayor of said municipal corporation;

(c) the execution as well as the making of the instrument has been duly authorized by a proper resolution of the Governing Body of the Borough of Demarest;

(d) deponent well knows the corporate seal of said municipal corporation; and that the seal affixed to said instrument is the proper corporate seal and was thereto affixed and said instrument was signed and delivered by said Mayor as an for the voluntary act and deed of said municipal corporation, in the presence of deponent who thereupon subscribed here name thereto as attesting witness.

Sworn and subscribed to before me  
On this 20<sup>th</sup> day of May,  
2020

  
\_\_\_\_\_  
GREGG F. PASTER, ESQUIRE  
AN ATTORNEY AT LAW  
OF THE STATE OF NEW JERSEY

STATE OF NEW JERSEY )

) ss:

COUNTY OF BERGEN )

**BE IT REMEMBERED** that on this 10<sup>th</sup> day of June 2020, before me the subscriber, personally appeared Susan Crosman, RMC, who being by me duly sworn on her oath deposes and makes proof to my satisfaction;

- a) that she is the Secretary of the Planning Board of the Borough of Demarest, the municipal corporation named in the within instrument;
- b) That Brian Keane is the Chairman of said Planning Board;
- c) that the execution as well as the making of this instrument has been duly authorized by a proper resolution of the Planning Board of the Borough of Demarest;
- d) that deponent well knows the corporate seal of said municipal corporation;
- e) and that the seal affixed to said instrument is the proper corporate seal and was thereto affixed and said instrument was signed and delivered by said Chairman as and for the voluntary act and deed of said Planning Board, in the presence of deponent, who thereupon subscribed her name thereto as attesting witness.

Sworn and Subscribed to  
before me this 10<sup>th</sup> day  
of June, 2020.



GREGG F. PASTER, ESQUIRE  
AN ATTORNEY AT LAW  
OF THE STATE OF NEW JERSEY



# EXHIBIT "A"



# EXHIBIT "B"

ORDINANCE # 1080-20

BOROUGH OF DEMAREST  
BERGEN COUNTY, NEW JERSEY

AN ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER 175 "ZONING", ARTICLE IV "RESIDENCE DISTRICTS", SO AS TO CREATE A NEW SECTION 12.1 ENTITLED "RESIDENTIAL MULTI-FAMILY-2 OVERLAY DISTRICT"

WHEREAS, the Borough of Demarest has a constitutional obligation to create a realistic opportunity for the construction of its fair share of the region's need for affordable housing; and

WHEREAS, the Borough voluntarily brought a timely declaratory judgment action pursuant to the procedures set forth by the Supreme Court in *In Re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (2015)* ("*Mt. Laurel IV*") seeking approval of a Housing Element and Fair Share Plan that satisfied the Borough's obligation to provide for its fair share of the regional need of low and moderate income housing; and

WHEREAS, Sylco Investments 6, 8, 9, and 10, LLC, were granted intervention on September 27, 2019 in the Borough's pending declaratory judgment action, and also filed a separate builder's remedy lawsuit which was consolidated by the Court with the Borough's pending declaratory judgment action; and

WHEREAS, the Borough and Sylco Investments 6, 8, 9, and 10, LLC mediated and arrived at an ultimate settlement agreement; and

WHEREAS, the Borough Council has determined that certain lands commonly referred to as the Frick Estate and designated as Block 119, Lots 1.05, 1.06, and 1.07 (which were to have been changed to Block 119, Lot 1.51) and Block 120, Lots 1.03 and 1.04 (which were to have been changed to Block 120, Lots 1.31, 1.32, 1.41 and 1.42 on the Tax Assessment maps of the Borough of Demarest) which Lots are currently within the RA Zone and are suited for rezoning to permit all uses currently permitted in the Residential A Zone and to permit a townhouse development with a mandatory payment-in-lieu for affordable housing.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Council of the Borough of Demarest, County of Bergen, State of New Jersey, that the following amendments be made to the Municipal Code of the Borough of Demarest:

Section 1: Demarest Borough Code Chapter 175 "Zoning", Article II "Establishment of Districts", subsection 2 "Districts Enumerated" be amended to add the following underlined language:

§175-2 Districts enumerated.

R-MF-2 Residential Multi-family-2 Overlay District

Section 2: Demarest Borough Code Chapter 175 "Zoning", Article IV "Residence Districts", be amended to include new subsection 12.1 with the following underlined language:

§175-12.1 Residential Multi-family-2 Overlay District.

A. Permitted principal uses:

(1) All uses permitted in the Residential A Zone

(2) Townhouses

B. Permitted accessory uses:

(1) Recreation Centers for the condominium development, lounges, game rooms, private recreational facilities and similar uses serving condominium developments.

(2) Community pool

(3) Off-street parking

(4) Fences and walls

(5) Signs

(6) Trash enclosures

(7) Landscaping and buffering

(8) Public or private open space facilities

(9) Gazebo to be centrally located containing mailboxes for the condo unit owners.

C. Bulk standards:

(1) Minimum tract area – Eighteen (18) acres which shall include any acreage for which an environmental easement has been granted to the New Jersey Department of Environmental Protection.

(2) Minimum tract setback, excluding access roads and utilities – Twenty-five (25) feet, except for patios and decks, which patios and decks may be set back twenty (20) feet from any property line, and further excepting accessory buildings and accessory uses abutting Block 120, Lot 16.02 (Alpine Country Club) which accessory buildings or accessory uses may be set back five (5) feet from the property line at such locations.

(3) Minimum distance between buildings:

(a) Eighteen (18) feet between principal buildings.

(b) Accessory buildings may be ten (10) feet from other accessory buildings or principal buildings.

(4) Maximum building length – Two hundred (200) feet excluding eaves, gutters, and covered porches

(5) Maximum building coverage – ten percent (10%)

(6) Maximum impervious coverage – fifteen percent (15%)

(7) Maximum density – twenty-four (24) units for the entire tract.

(8) Maximum building height – Two and a half (2.5) stories and thirty-seven (37) feet, which is measured for each individual unit from the average finished grade to the peak. Average finished grade shall be calculated by taking proposed finished grades at ten-foot intervals along each exterior wall of each individual unit at the foundation line.

#### D. Architectural Standards

(1) Buildings shall be constructed of brick, stone, cast stone, hardie plank siding, or other high-quality material.

(2) Buildings shall be designed to avoid long monotonous, uninterrupted walls or roof lines. Wall offsets shall be used to provide architectural interest and variety and relieve the visual effect of a simple, long wall. Said offsets include projections from the building, such as balconies, canopies, porches, and decks.

(a) The maximum spacing between wall offsets shall be twenty five (25) feet.

(b) The minimum projection or depth of any offset shall be at least one (1) foot.

(3) Roofline offsets, which include dormers and gables, shall be provided to provide architectural interest and variety to the massing of a building. The maximum spacing between roof offsets shall be thirty-five (35) feet.

(4) The architectural design of the front façade shall be continued around all visibly exposed sides of a building. All sides of a building shall be consistent in design, including style, materials, and details.

(5) All main building entrances shall be defined and articulated by architectural elements such as lintels, pediments, pilasters, columns, porticoes, porches, overhangs, railings, etc.

(6) Gable and hipped roofs shall be used to the greatest extent possible. Both gable and hipped roofs shall provide overhanging eaves on all sides that extend a minimum of one (1) foot beyond the building wall.

E. Parking

- (1) Parking shall be provided in conformance with the Residential Site Improvement Standards, including the guest parking requirements.
- (2) A minimum of one (1) attached garage space is required per unit.

F. Signage

- (1) One monument sign is permitted to be installed to identify the development, and one sign shall be permitted to identify the roadway as private.
- (2) Said sign shall be a maximum of twenty (20) square feet and a maximum of five (5) feet tall.
- (3) Said sign may be externally illuminated.

G. Lighting

- (1) A lighting plan prepared by a qualified individual shall be provided with site plan applications.
- (2) All parking areas shall have a minimum average illumination of one-half (0.5) footcandles.
- (3) Public and private streets shall have a minimum average of one (1.0) footcandle over the cartway.
- (4) No lighting at the property line shall exceed one-half (0.5) footcandles, except for where there is an access road.
- (5) Light fixtures shall be full cut off where required and no taller than fifteen (15) feet.

H. Landscaping

- (1) Landscaping shall be provided to promote a desirable visual environment, to accentuate building design, screen parking areas, and mitigate averse visual impacts.
- (2) Landscape plans shall be prepared by a NJ Licensed Landscape Architect. A plant list shall be provided, listing quantity, plan key, botanical name, common name, installation size, and mature size.
- (3) Shade trees shall be provided easterly from the intersection of Duane Lane and Brenner Place at an average of fifty (50) feet on center. Shade trees shall be provided along all internal roadways, whether public or private, at an average of sixty (60) feet on center. Shade trees shall be a minimum of three (3) inches caliper and ten (10) feet in height at

the time of planting. The following shade tree species are permitted:

- (a) Regent Scholar.
  - (b) Chinese Elm.
  - (c) October Glory Maple.
  - (d) Katsure tree.
  - (e) Maidenhair tree.
  - (f) Greenspire Linden.
  - (g) Village Green Zelkova.
  - (h) Red Sunset Maple.
  - (i) Such other species as approved by the Borough engineer or planner.
- (4) Foundation plantings shall be provided to soften the mass of the front façade of buildings. Said plants shall provide seasonal interest at varying heights to complement and provide pedestrian scale to the proposed development.
- (5) Surface parking areas shall be landscaped with a combination of shade trees and shrubs. Shade trees shall be a minimum three-inch caliper and shrubs shall be no less than one (1) foot tall at the time of installation. One (1) shade tree and one (1) shrub shall be provided for every ten (10) parking spaces.
- (6) The tract setback shall be suitably landscaped, where required by the Planning Board, to provide a visual screen from adjacent uses. Where existing vegetation can provide a suitable screen, the existing vegetation shall be illustrated on the landscaping plan to confirm. If additional landscaping is required, the landscape architect shall develop a plan that reasonably accomplishes same. Excluded from the foregoing shall be areas that are to be used for Detention/Water Quality Facilities. In such areas the developer through its landscape architect shall create an appropriate landscape area separating the new development from the existing golf course.

I. Fences, walls, and entrance gate/piers

- (1) Fences and walls between a building and public street shall be a maximum of six (6) feet tall.
- (2) Fences and walls not located between a building and public street shall be a maximum of six feet tall.

(3) The piers supporting the entrance gates to the development and the adjoining walls to such piers shall not exceed seven (7) feet in height plus decorative lighting may be installed on top provided such decorative lighting does not exceed two (2) feet for a total of not more than nine (9) feet in height. The entrance gates shall not exceed nine (9) feet in height.

J. Trash. Trash and recycling may be stored inside each individual unit, or in the recreation center area, or in a common trash enclosure subject to the following requirements:

(1) The trash enclosure shall not be visible from any public street.

(2) The trash enclosure shall be constructed of a six-foot-tall masonry wall on three (3) sides and a solid heavy-duty gate closure on the fourth side.

(3) The trash enclosure shall be surrounded and screened on three (3) sides by a mixture of evergreen plants. Evergreen plants must be at least six (6) feet tall at the time of planting.

K. Affordable housing.

(1) Block 119, Lots 1.05, 1.06, and 1.07 (which were to have been changed to Block 119, Lot 1.51) and Block 120, Lots 1.03 and 1.04 (which were to have been changed to Block 120, Lots 1.31, 1.32, 1.41 and 1.42 on the Tax Assessment maps of the Borough of Demarest) shall provide five affordable housing units through a payment-in-lieu of One Million (\$1,000,000) Dollars. The payments shall be made based upon the milestones set forth herein:

(a) Upon the commencement of site work, road construction or excavation: Two Hundred Fifty Thousand (\$250,000.00) Dollars. The term 'site work' is specifically understood to exclude the eastern extension of Duane Lane including the construction of the cul-de-sac and site clearing of the Property;

(b) Upon the issuance of the first building permits(s) for actual construction of the first townhouse building: Two Hundred Fifty Thousand (\$250,000.00) Dollars;

(c) Upon issuance of the tenth (10<sup>th</sup>) certificate of occupancy to occupy residential units in the Development: Five Hundred Thousand (\$500,000.00) Dollars.

L. Utilities. All utilities shall be underground.

M. Site Improvement Standards.

(1) Streets, curbs, gutters, sidewalks (which at the discretion of the developer may be waived if they are not on a public street), pavements, street signs, parking lots, the water supply, fire hydrants, the sanitary sewer system, and stormwater management shall be designed pursuant to the Residential Site Improvement Standards (N.J.A.C. 5:21).

N. Off-Site Improvements.

- (1) Off-tract improvements are required whenever an application for development requires the construction of off-tract improvements that are clearly, directly, and substantially related to or necessitated by the proposed development. The Planning Board, as the case may be, may require as a condition of final site plan or subdivision approval that the applicant provide for such off-tract improvements if such off-tract improvements are necessitated by the townhouse development. Off-tract improvements shall include water, sanitary sewer, drainage, and street improvements.
- (2) Determination of cost. When off-tract improvements are required, the Borough Engineer shall calculate the cost of such improvements in accordance with the procedures for determining performance guaranty amounts in N.J.S.A. 50:55-D-53.4. Such costs may include, but not be limited to, any or all costs of planning, surveying, permit acquisition, design, specification, bidding, construction, construction management, inspection, legal, traffic control and other common and necessary costs of the construction of improvements. The Borough Engineer shall also determine the percentage of off-tract improvements that are attributable to the applicant's development proposal and shall expeditiously report his findings to the Planning Board and the applicant.
- (3) Improvements required solely for the application's development. Where the need for an off-tract improvement is necessitated by the proposed development and no other property owners receive a special (i.e. more than incidental) benefit thereby, or where no planned capital improvement by a governmental entity is contemplated, or the improvement is required to meet the minimum standard of the approving authority, the applicant shall be solely responsible for the cost and installation of the required off-tract improvements. The applicant shall elect to either install the off-tract improvements or pay the municipality for the cost of the installation of the required off-tract improvements.
- (4) Performance guaranty. If the applicant elects to construct the improvements, the applicant shall be required to provide, as a condition of final approval, a performance guaranty for the off-tract improvements in accordance with N.J.S.A. 50:55D-53 and Subsection 172-12.1N.(2) above.
- (5) Certification of costs. Once the required off-tract improvements are installed and the performance bond released, the developer shall provide a certification to the Borough Engineer of the actual costs of the installation. The Borough Engineer shall review the certification of costs and shall either accept them, reject them, or conditionally accept them. In the review of costs, the Borough Engineer shall have the right to receive copies of invoices from the developer sufficient to substantiate the certification. Failure of the developer to provide such invoices within six (6) months of the Borough Engineer's request shall constitute forfeiture of the right of future reimbursement for improvements that benefit other.

- (6) Time limit for reimbursement. Notwithstanding any other provisions to the contrary, no reimbursement for the construction of off-tract improvements providing excess capacity shall be made after ten (10) years has elapsed from the date of the acceptance of the certification of costs by the Borough Engineer.

O. General.

- (1) All applications within the Residential Multi-family-2 Overlay District shall include a statement from the developer or its professional that the proposed development is in compliance with Section 153-4H of the Borough of Demarest ordinances.
- (2) All applications within the Residential Multi-family -2 Overlay District shall comply with Section 153-4, Performance Standards.
- (3) Site Plans submitted as part of any application within the Residential Multi-family -2 Overlay District shall be prepared in accordance with Section 153-5.

**Section 3.** There is hereby created the Residential Multi-family 2 Overlay District Zone (hereinafter R-MF 2 Overlay District) which shall be considered an overlay zone applicable to Block 119, Lots 1.05, 1.06, and 1.07 (which were to have been changed to Block 119, Lot 1.51) and Block 120, Lots 1.03 and 1.04 (which were to have been changed to Block 120, Lots 1.31, 1.32, 1.41 and 1.42 on the Tax Assessment maps of the Borough of Demarest), which lots are located in the current Residential A Zone. It is expressly understood that the Residential A zone uses shall continue to be permitted uses in the R-MF 2 Overlay District zone).

**Section 4. Severability.**

If any section, subsection, paragraph, sentence or other part of this Ordinance is adjudged unconstitutional or invalid, such judgement shall not affect or invalidate the remainder of the Ordinance, but shall be confined in its effect to this section, subsection, paragraph sentence or other part of this Ordinance directly involved in the controversy with respect to which said judgement 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, and its provisions shall apply to all building permits applied for on or after the date of adoption and publication hereof as prescribed by law.

BOROUGH OF DEMAREST

By: Melinda J. Jannuzzi  
Melinda Jannuzzi, Mayor

ATTEST:

Susan Crosman  
Susan Crosman, RMC, Borough Clerk

Introduced: April 27, 2020

Adopted: MAY 18, 2020

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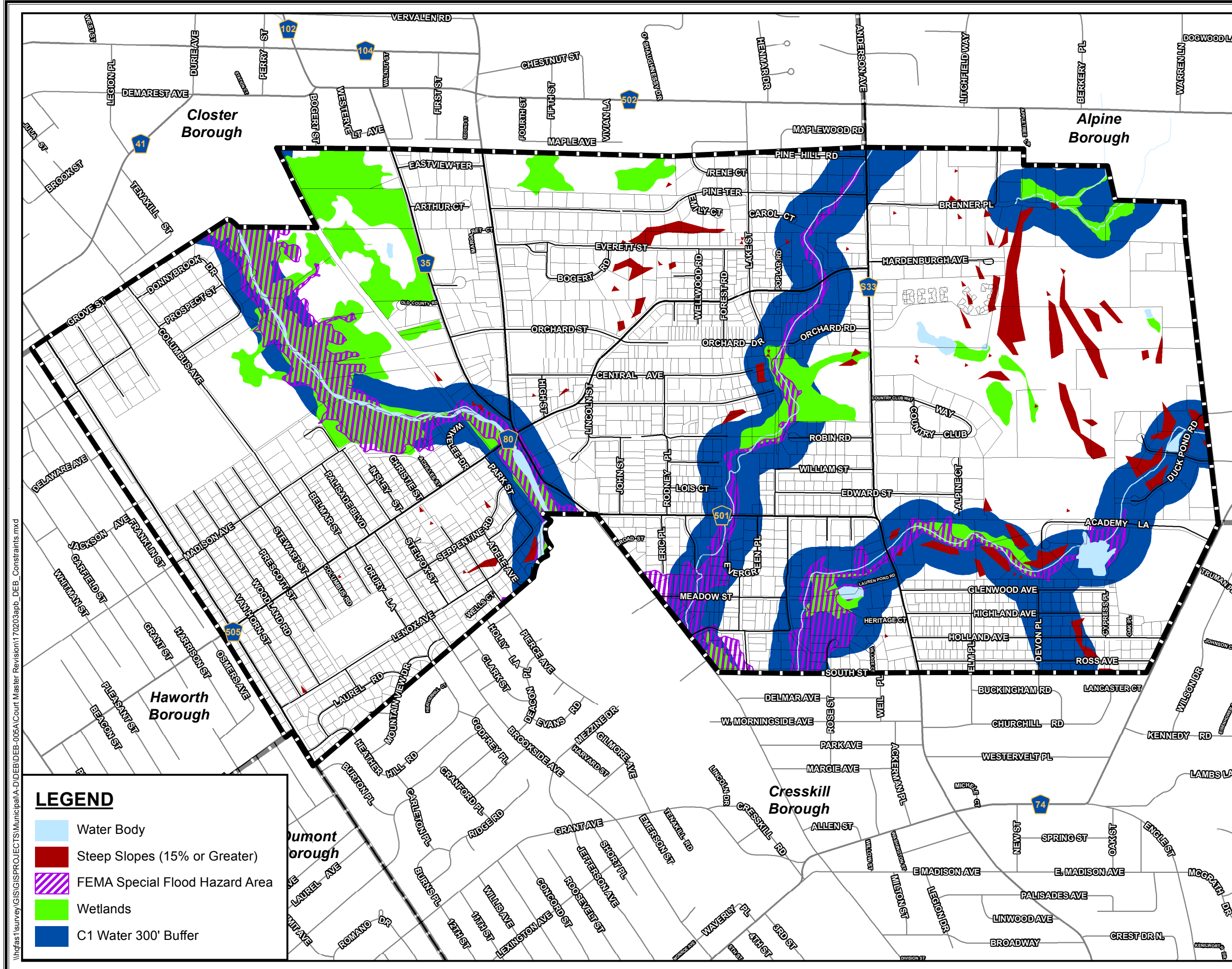
Appendix D.

Vacant Land Adjustment

Block	Lot	Address	Owner	Zoning	Planning Area	Sewer	Total Acres	Constrained Acres	C-1 300' Buffer Acres <sup>1</sup>	Buildable Acres	Constraint Description	Comments	Include in RDP	Potential Units	RDP
2	1	12 HARDENBURGH AVE	HOAGLAND, DAVID P & KIM M	R-D	PA1	Yes	0.05	0.00	0.00	0.05		Undersized Lot	No		
2	40	KNICKERBOCKER RD	BORO OF DEMAREST	R-D	PA1	Yes	0.01	0.00	0.00	0.01		Undersized Lot	No		
6	346	STEWART ST	BORO OF DEMAREST	R-D	PA1	Yes	0.05	0.00	0.00	0.05		Undersized Lot	No		
8	498	COLUMBUS RD	BORO OF DEMAREST	R-D	PA1	Yes	0.09	0.00	0.00	0.09		Undersized Lot	No		
19	1	11 OLD COUNTY COURT	WIGGERS, DONALD G. & GARY J.	R-BB	PA1	Yes	0.68	0.55	0.00	0.12	Wetlands	Environmentally Constrained	No		
19	4.03	295 COUNTY RD	BORO OF DEMAREST	R-BB	PA1	Yes	0.45	0.17	0.00	0.28	Wetlands	Potential Infill Development	No		
22	895	36 STELFOX ST	BOROUGH OF DEMAREST	R-D	PA1	Yes	0.10	0.00	0.00	0.10		Undersized Lot	No		
22	941	SPRING LA	LAMON, MELISSA	R-D	PA1	Yes	0.08	0.00	0.00	0.08		Undersized Lot	No		
22	943	SPRING LANE	BORO OF DEMAREST	R-D	PA1	Yes	0.07	0.00	0.00	0.07		Undersized Lot	No		
23	13	127 HARDENBURGH AVE	BOROUGH OF DEMAREST	R-D	PA1	Yes	0.47	0.00	0.00	0.47		Potential Infill Development	No		
23	14			R-D	PA1	Yes	0.11	0.00	0.00	0.11		Undersized Lot	No		
23	23	118 SERPENTINE RD	BOROUGH OF DEMAREST	R-D	PA1	Yes	0.36	0.00	0.00	0.36		Potential Infill Development	No		
35	76	COLUMBUS RD	BORO OF DEMAREST	R-D	PA1	Yes	0.06	0.00	0.00	0.06		Undersized Lot	No		
46	681	18 CHRISTIE ST	DAY, RALPH	R-D	PA1	Yes	0.40	0.12	0.00	0.28	Wetlands	Potential Infill Development	No		
50	27	PIERMONT RD	BORO OF DEMAREST	R-D	PA1	Yes	0.14	0.14	0.00	0.00	SFHA, Wetlands	Undersized Lot	No		
52	22		Borough of Demarest	R-D	PA1	Yes	0.09	0.09	0.00	0.00	SFHA	Undersized Lot	No		
52	23			R-D	PA1	Yes	0.23	0.23	0.00	0.00	SFHA	Environmentally Constrained	No		
52	24			R-D	PA1	Yes	0.22	0.22	0.00	0.00	SFHA	Environmentally Constrained	No		
54	9			R-D	PA1	Yes	0.39	0.39	0.00	0.00	SFHA	Environmentally Constrained	No		
61	170	CHESTNUT ST	VANVORST, CLIFTON & DOROTHY E.	R-B	PA1	Yes	0.54	0.00	0.00	0.54		Potential Infill Development	No		
73	159			R-B	PA1	Yes	0.18	0.00	0.00	0.18		Potential Infill Development	No		
80	4.01	326 HARDENBURGH AVE	SILVER(ETAL), STEPHEN G	R-A	PA1	Yes	0.25	0.00	0.00	0.25		Potential Development with Adjacent	Yes	5	1
80	4.02	324 HARDENBURGH AVE	ETHAN BROOKE LLC	R-A	PA1	Yes	0.23	0.00	0.00	0.23		Potential Development with Adjacent	Yes	Included with Lot 4.01	
80	4.03	320 HARDENBURGH AVE	SILVER, STEPHEN G. (ETAL)	R-A	PA1	Yes	0.34	0.00	0.13	0.21	C1	Potential Development with Adjacent	Yes	Included with Lot 4.01	
80	4.04	316 HARDENBURGH AVE	SILVER, STEPHEN G. (ETAL)	R-C	PA1	Yes	0.57	0.57	0.57	0.00	C1	Environmentally Constrained	No		
80.02	3			R-C	PA1	Yes	0.20	0.00	0.00	0.20		Potential Infill Development	No		
80.02	8			R-C	PA1	Yes	0.17	0.00	0.00	0.17		Potential Infill Development	No		
86.01	11.02	291 HARDENBURGH AVE	YOUNG, TONY & CHRISTINE LEE	R-C	PA1	Yes	0.09	0.00	0.09	0.00	C1	Undersized Lot & Environmentally Constrained	No		
86.01	12.01			R-C	PA1	Yes	0.09	0.00	0.09	0.00	C1	Undersized Lot & Environmentally Constrained	No		
86.03	1	ORCHARD RD	BORO OF DEMAREST	R-C	PA1	Yes	0.22	0.22	0.00	0.00	SFHA, Steep Slopes, Wetlands	Environmentally Constrained	No		
86.03	2			R-C	PA1	Yes	0.20	0.20	0.00	0.00	SFHA, Wetlands	Environmentally Constrained	No		
86.03	3			R-C	PA1	Yes	0.22	0.16	0.06	0.00	SFHA, Wetlands, C1	Environmentally Constrained	No		
86.03	4			R-C	PA1	Yes	0.21	0.01	0.19	0.00	Wetlands, C1	Environmentally Constrained	No		
86.03	5			R-C	PA1	Yes	0.31	0.00	0.31	0.00	Wetlands, C1	Environmentally Constrained	No		
89	16	14 ROBIN RD	STEGMAYER, PAUL J. & NAOMI M.	R-C	PA1	Yes	0.35	0.07	0.00	0.28	Wetlands	Potential Infill Development	No		
96	1	54 BROOK WAY	KRETSCHMER, KLAUS & LINDA	R-C	PA1	Yes	0.62	0.58	0.03	0.00	SFHA, C1	Environmentally Constrained	No		
119	1.05	DUANE LA	SYLCO INVESTMENTS #6 LLC	R-A	PA1	Yes	1.33	0.68	0.61	0.04	Wetlands, C1	Environmentally Constrained	No		
119	1.06			R-A	PA1	Yes	1.81	0.57	1.20	0.04	Wetlands, C1	Environmentally Constrained	No		
119	1.07	DUANE LA	SYLCO INVESTMENTS #8 LLC	R-A	PA1	Yes	5.89	1.01	4.76	0.12	Wetlands, C1	Environmentally Constrained	No		
120	1.03	DUANE LA	SYLCO INVESTMENTS #9 LLC	R-A	PA1	Yes	3.74	0.68	1.67	1.39	Wetlands, C1	Potential Development	Yes	11	2
120	1.04	DUANE LA	SYLCO INVESTMENTS #10 LLC	R-A	PA1	Yes	5.19	1.07	3.90	0.22	Wetlands, C1	Environmentally Constrained	No		
120	1.05	Duane Lane	Sylco Investments #11 LLC	R-A	PA1	Yes	8.11	1.16	2.97	3.98	Wetlands, C1	Approved Subdivision	No		
124	1	72 GLENWOOD AVE	WRIGHT, KAREN ETALS	R-D	PA1	Yes	0.03	0.00	0.02	0.01	C1	Undersized Lot	No		
124	2			R-D	PA1	Yes	0.04	0.00	0.02	0.02	C1	Undersized Lot	No		
124	3			R-D	PA1	Yes	0.04	0.00	0.02	0.03	C1	Undersized Lot	No		
154	13	JOHN ST	BORO OF DEMAREST	R-B	PA1	Yes	0.07	0.00	0.00	0.07		Undersized Lot	No		
<b>Total</b>							<b>35.06</b>	<b>8.88</b>		<b>10.11</b>					<b>3</b>

<sup>1</sup> C-1 300' Buffer acres outside of all other environmental constraints

Key:  
Undersized = 0.0 - 0.124 acres  
Infill = 0.125 - 0.625 acres  
Developable = 0.625 acres or greater



# ENVIRONMENTAL CONSTRAINTS

## BOROUGH OF DEMAREST






BERGEN COUNTY  
NEW JERSEY



0 500 1,000 1,500  
Feet

1 inch = 1,000 feet

**LEGEND**

-  Water Body
-  Steep Slopes (15% or Greater)
-  FEMA Special Flood Hazard Area
-  Wetlands
-  C1 Water 300' Buffer

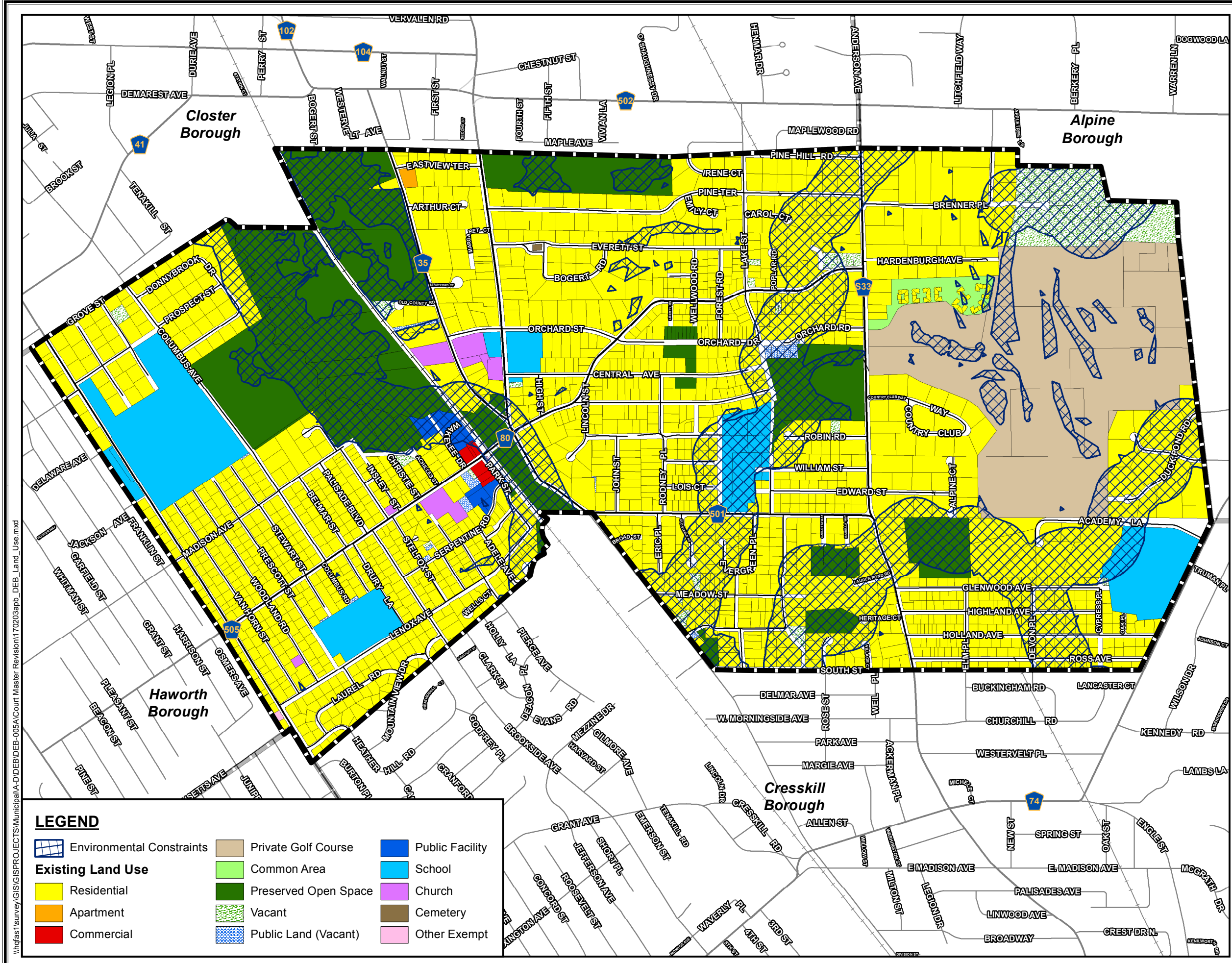
This map was developed using NJDEP and County GIS digital data, but this secondary product has not been verified by NJDEP and is not state-authorized.

Environmental Constraints for Blocks 119 & 120 are referenced from the approved Final Major Subdivision Plan for Frick Estates - Section II, prepared by Hubschman Engineering P.A., dated 6-28-2007.



February 2017

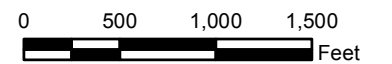
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# EXISTING LAND USE

## BOROUGH OF DEMAREST

BERGEN COUNTY  
NEW JERSEY



1 inch = 1,000 feet

**LEGEND**

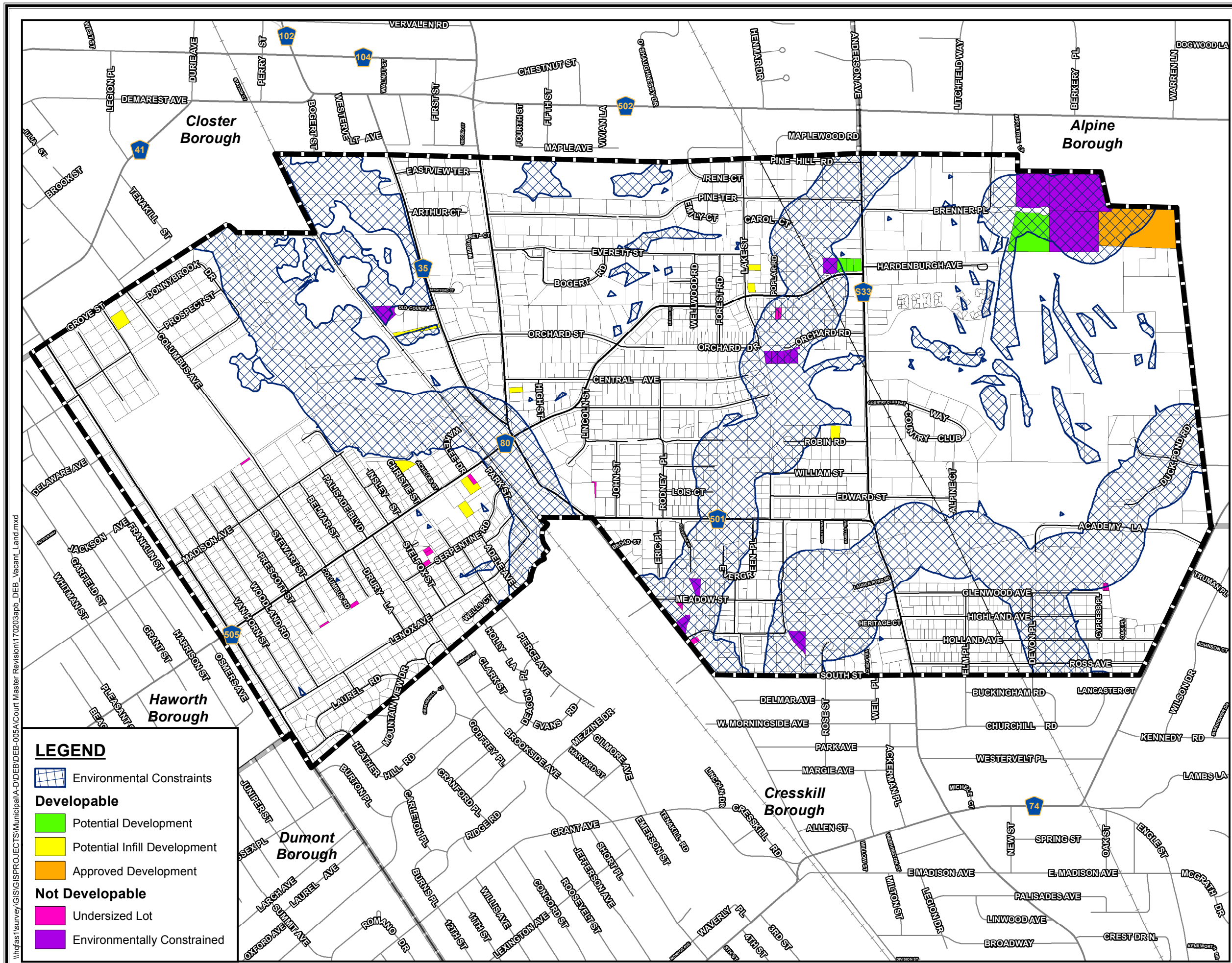
Environmental Constraints	Private Golf Course	Public Facility
Residential	Common Area	School
Apartment	Preserved Open Space	Church
Commercial	Vacant	Cemetery
	Public Land (Vacant)	Other Exempt

This map was developed using NJDEP and County GIS digital data, but this secondary product has not been verified by NJDEP and is not state-authorized.



February 2017

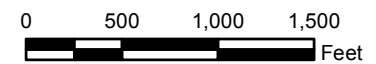
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# VACANT LANDS

## BOROUGH OF DEMAREST

BERGEN COUNTY  
NEW JERSEY



1 inch = 1,000 feet

**LEGEND**

- Environmental Constraints
- Developable**
- Potential Development
- Potential Infill Development
- Approved Development
- Not Developable**
- Undersized Lot
- Environmentally Constrained

This map was developed using NJDEP and County GIS digital data, but this secondary product has not been verified by NJDEP and is not state-authorized.



February 2017

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Appendix E.

Alpine Country Club Deed Restriction

2  
4  
11-

Borough of Demarest

**Bergen County Recording Data Page**  
Honorable John S. Hogan  
Bergen County Clerk



Official Use Only - Barcode



18-080485 Deed  
V Bk: 03106 Pg: 0577-0581 Rec. Fee \$11.00  
John S. Hogan, Bergen County Clerk  
Recorded 11/13/2018 02:31:05 PM

Official Use Only - Realty Transfer Fee

Date of Document:

08/21/2018

Type of Document:

Deed Restriction

First Party Name:

Alpine Country Club

Second Party Name:

Borough of Demarest

Additional Parties:

**THE FOLLOWING SECTION IS REQUIRED FOR DEEDS ONLY**

Block:

120

Lot:

13, 16-18, 20-25, 30.01

Municipality:

Demarest

Consideration:

\$1.00

Mailing Address of Grantee:

118 Serpentine Road, Demarest NJ 07627

**THE FOLLOWING SECTION IS FOR ORIGINAL MORTGAGE BOOKING & PAGE INFORMATION FOR ASSIGNMENTS, RELEASES, SATISFACTIONS, DISCHARGES & OTHER ORIGINAL MORTGAGE AGREEMENTS ONLY**

Original Book:

Original Page:

**BERGEN COUNTY RECORDING DATA PAGE**

Please do not detach this page from the original document as it contains important recording information and is part of the permanent record.

## DEED RESTRICTION

This Deed Restriction, entered into this 21<sup>st</sup> day of ~~July~~<sup>August</sup> 2018 by and between the Borough of Demarest, with offices at 118 Serpentine Road, Demarest, New Jersey 07627 (the "Borough") and Alpine Country Club, with offices at 59 Anderson Avenue, Demarest, New Jersey 07627 (the "Owner")

**WHEREAS**, pursuant to a settlement of a Mount Laurel Prior Round Builder's Remedy litigation brought by the Owner and resulting in the development of a portion of the Owner's property for inclusionary residential development, the Owner was required to record a deed restriction restricting the remainder of the Owner's property from future development for any purposes other than a golf course, golf course with club facilities, or single family residences on a minimum 40,000 square foot lot; and

**WHEREAS**, a stipulation of settlement and order was entered by the Hon. Jonathan R. Harris, J.S.C. dated June 27, 2001 under BER-L-7707-98 ("Settlement"); and

**WHEREAS**, the Borough adopted Ordinance No. 84 on August 20, 2001 providing for a "golf course use" to be defined as a golf course, golf course with club facilities, or single family residences on a minimum 40,000 square foot lot as required by the stipulation of settlement.

**NOW THEREFORE,**

### **Article 1. Consideration**

In consideration of the Settlement between the Borough and Owner, the Owner hereby agrees to abide by the covenants terms and conditions set forth in this Deed Restriction with respect to the land and improvements more specifically described in Article 2 hereof (the "Property")

### **Article 2. Description of Property**

The Property consists of all of the land and improvements thereof, that is located in the Borough of Demarest, County of Bergen, State of New Jersey and described more specifically as Block 120, Lots 13, 16-18, 20-25, 30.01.

**Article 3. Covenant**

The Property shall be subject to the following covenant which shall run with the land:

1. The Property's use shall be restricted to the following uses: golf course, golf course with club facilities or single family residences on a minimum 40,000 square foot lot.

**Article 4. Remedies for Breach of Restriction**

A breach of the covenants will be a violation of the settlement between Borough and Owner. In the event of a breach or threatened breach of the covenants by the Owner or any successor in interest of the property, the Borough shall have all remedies provided at law or equity, including the right to seek injunctive relief or specific performance.

**IN WITNESS WHEREOF**, the Borough and the Owner have executed this Deed Restriction as of the date first above written.

Borough of Demarest

By: Raymond J. Givanski  
Mayor

Owner: Alpine Country Club

By: David Graf  
Name: David Graf  
Title: President

**ACKNOWLEDGMENTS**

On this the 24<sup>th</sup> day of Sept July, 2018, before me came Raymond J. Cywinski to me known and known to me to be the MAYOR for the Borough of Demarest, who states that he has signed said the within Deed Restriction on behalf of the Borough of Demarest for the purposes stated therein.

Susan Crasman, MC  
Notary Public

On this the 21<sup>st</sup> day of August July, 2018, before me came David Graf to me known and known to me to be the President of Alpine Country Club, who states that he has signed said the within Deed Restriction on behalf of the Club for the purposes stated therein.

[Signature]  
Notary Public

AMY L SHERDAN

ID # 2267432

NOTARY PUBLIC

STATE OF NEW JERSEY

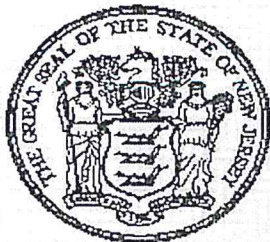
My Commission Expires December 01, 2020

Ray  
Decotris, Fitzpatrick  
500 Freshw. Burr Blvd  
Teaneck, NJ 07666

Appendix F.

Advancing Opportunities Paperwork

License No. GH1865



*State of New Jersey*  
*Department of Human Services*  
*Office of Licensing*

**LICENSE**

**ADVANCING OPPORTUNITIES/CEREBRAL PALSY OF NEW JERSEY, INC.**

1005 Whitehead Road Ext  
Suite 1  
Ewing, NJ 08638-2424

*Having met the requirements of the New Jersey Statute, P.L. 1977, c. 448, and the regulations of this Department,  
is hereby licensed as a*

**Group Home Developmental Disability**

**for 4 individuals**

at  
23 KNICKERBOCKER ROAD  
DEMAREST, NJ 07627

This License is effective from 07/31/2017 to 07/31/2018

A handwritten signature in cursive script, appearing to read "Elizabeth Connolly".

Elizabeth Connolly, Acting Commissioner  
Department of Human Services

# CONTRACT FOR SALE OF REAL ESTATE

This Contract for Sale is made on August 13, 2013

**BETWEEN:** UNITED WAY OF BERGEN COUNTY  
6 Forest Avenue, Suite 210, Paramus, NJ 07652

Herein referred to as "Seller,"

**AND:** ADVANCING OPPORTUNITIES, INC.  
1005 Whitehead Road Extension, Suite 1, Ewing, NJ 08638

Herein referred to as "Buyer."

**1. Purchase Agreement.** The Seller agrees to sell and Buyer agrees to buy the Property described in this Contract.

**2. Property.** The property (called the "Property") to be sold consists of: (a) the land and all the buildings, other improvements and fixtures on the land, and (b) all of the Seller's rights relating to the land. The Real Property to be sold is commonly known as 23 Knickerbocker Road, Demarest, County of Bergen, and State of New Jersey.

It is shown on the municipal tax map as Lot 2 in Block 51.02.

**3. Purchase Price.** The purchase price is \$ 250,000.00

**4. Payment of Purchase Price.** The Buyer will pay the purchase price as follows:

Previously paid by the Buyer (initial deposit) \$ -0-

Amount of mortgage (paragraph 6) \$ -0-

By assuming the obligation to pay the present mortgage according to its terms. This mortgage shall be in good standing at the closing. Either party may cancel this Contract if the Lender does not permit the Buyer to assume the mortgage.

\$ 250,000.00

Balance to be paid at closing of title, in cash or by certified or bank cashier's check or attorney's trust account check.  
(Subject to adjustments at closing)

\$ -0-

Total \$ 250,000.00

**5. Deposit Moneys.** N/A

**6. Mortgage Contingency.** This agreement is contingent upon New Jersey Housing Mortgage & Finance Agency ("HFMA") consenting to the Assignment and Assumption of the mortgage on the Property and the Seller's promissory note obligations by the Buyer.

**7. Time and Place of Closing.** The closing date cannot be made final at this time. The Buyer and Seller agree to make fifteen (15) days after HMFA consent is received, the estimated date for closing. Both parties will fully cooperate so the closing can take place on or before the estimated date. The closing will be held at such place as is mutually agreed upon including by mail or escrow.

**8. Transfer of Ownership.** At the closing the Seller will transfer ownership of the Property to the Buyer. The Seller will give the Buyer a properly executed deed and an adequate affidavit of title. Seller will deliver a corporate resolution authorizing the sale.

**9. Type of Deed.** The Seller agrees to provide and the buyer agrees to accept a deed known as bargain and sale with covenants against grantors' acts subject to paragraph 15 below.

**10. Personal Property and Fixtures.** All fixtures are **INCLUDED** in this sale. No fixtures are **EXCLUDED** from this sale.

**11. Physical Condition of the Property.** This Property is being sold "As is." The Seller does not make any claims or promises about the condition or value of any of the Property included in this sale. The Buyer has inspected the Property and relies on this inspection.

**12. Building and Zoning Laws.** The Buyer intends to use the Property as a special needs group home. The Buyer will obtain and pay for all inspections required by law including a smoke detector/carbon monoxide detector certificate and fire extinguisher inspection as may be required. This includes any municipal "Certificate of Occupancy." Seller agrees to cooperate with Buyer in seeking a waiver of inspections, if any. Seller shall be responsible for correcting deficiencies concerning an unconditional certificate of occupancy.

**13. Flood Area.** N/A

**14. Property Lines.** Buyer accepts the Property as depicted on the attached survey.

**15. Ownership.** The Seller agrees to transfer and the Buyer agrees to accept ownership of the Property free of all claims and rights of others, except for:

- a. the rights of utility companies to maintain pipes, poles, cables and wires over, on and under the Property;
- b. recorded agreements which limit the use of the Property; and
- c. NJHMFA Financing, Deed Restrictions and Regulatory Agreement.

**16. Lead Paint Sale Contingency.** **WAIVED.**

**17. Risk of Loss.** The Seller is responsible for any damage to the Property, except for normal wear and tear, until the closing. If there is damage the Buyer can proceed with the closing and either:

- a. require that the Seller repair the damage before the closing, or
- b. deduct from the purchase price a fair and reasonable estimate of the costs to repair the Property.

**18. Cancellation of Contract.** If this Contract is legally and rightfully canceled, the parties will be free of liability to each other.

**19. Assessments for Municipal Improvements.** All unpaid charges (assessments) against the Property for work completed before the date of this Contract will be paid by the Seller at or before the closing. If the improvement is not completed before the date of this Contract, then only the Buyer will be responsible.

**20. Adjustments at Closing.** The Buyer and Seller agree to adjust the following expenses as of the earlier of Buyer's possession and control of the property or the closing date: rents, municipal water charges, sewer charges, and taxes. Buyer shall be responsible for title searches and title charges. Seller shall pay any deed transfer fee. If the Property is heated by fuel oil, the Buyer will buy the fuel oil in the tank at the closing date. The price will be the current price at that time as calculated by the supplier. The Buyer or the Seller may require that any person with a claim or right affecting the Property, other than NJHMFA, be paid at or before this sale. The parties agree that any omission or errors in making the final adjustments or making any payments at the time of closing shall be corrected and paid within seven (7) days after written notification of such error by either party is given to the other party or their respective attorney. This representation shall survive closing of title notwithstanding delivery and acceptance of the Deed and the execution of a closing statement at the closing.

**21. Well Test Contingency. WAIVED.**

**22. No Assignment.** This Contract may not be assigned in whole or in part by the Buyer without the express prior written consent of the Seller.

**23. Complete Agreement.** This Contract is the entire and only agreement between the Buyer and the Seller. This Contract replaces and cancels any previous agreements between the Buyer and the Seller. This Contract can only be changed by an agreement in writing signed by both Buyer and Seller. The Seller states that the Seller has not made any other contract to sell the Property to anyone else.

**24. Parties Liable.** This Contract is binding upon all parties who sign it and all who succeed to their rights and responsibilities.

**25. Notices.** All notices under this Contract must be in writing. The notices shall be delivered: personally; mailed by certified mail, return receipt requested, to the other party at the address written in this Contract, or to that party's attorney; by nationally recognized overnight delivery service; or facsimile between 9:00 A.M. and 4:30 P.M. on any regular week day not a New Jersey banking holiday. Notices shall be effective upon delivery.

**26. Megan's Law Statement.** Seller represents that they have received no written notice from any law enforcement agency of the municipality or State of New Jersey and have no knowledge of the presence of a sex offender residing or intending to reside in the neighborhood or community as defined by N.J.S.A. 2C:7-2 et seq. Under New Jersey law, the County Prosecutor determines whether and how to provide notice of the presence of convicted sex offenders in an area. The County Prosecutor may be contacted for such further information as may be disclosable to the Buyer.

**27. Notice of Offsite Conditions.** Pursuant to the New Residential Construction Offsite Conditions Disclosure Act, P.L. 1995 Chapter 253, the Clerks of Municipalities in New Jersey maintain lists of offsite conditions which may affect the value of residential properties in the vicinity of the offsite condition. Buyers may examine the lists and are encouraged to independently investigate the area surrounding the Property in order to become familiar with any offsite conditions which may affect the value of the Property. In situations where a property is located near the border of a municipality, Buyers may wish to also examine the list maintained by the neighboring municipality.

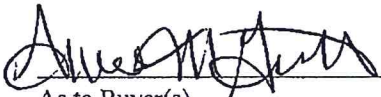
**28. Realtor's Commission.** Both the Buyer and Seller herein represent and warrant that no real estate broker or third party has been instrumental in the sale of the within property and that no broker's commission is due. Buyer and Seller further represent that in the event any claim for a broker's commission shall be made, they shall indemnify and hold each other harmless from any and all such claims.

**SIGNED AND AGREED TO BY:**

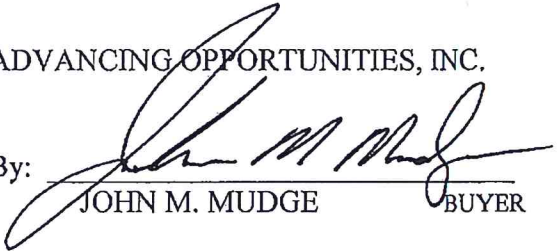
Witnessed by:

Date Signed:

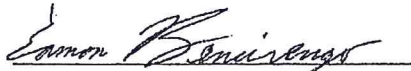
ADVANCING OPPORTUNITIES, INC.

  
As to Buyer(s)

8-12-13

By:   
JOHN M. MUDGE BUYER

UNITED WAY OF BERGEN COUNTY

  
As to Seller(s)

8/13/13

By:   
THOMAS TORONTO SELLER

**RESOLUTION OF THE BOROUGH OF DEMAREST  
COUNTY OF BERGEN, STATE OF NEW JERSEY  
ADOPTING, RATIFYING AND AUTHORIZING EXECUTION OF SETTLEMENT  
AGREEMENT FOR INTERVENORS, QUENTIN AND CAROL AVERY,  
(HEREINAFTER 'INTERVENORS') 95 COUNTY ROAD, BLOCK 145, LOT 5**

**WHEREAS**, on March 26, 2018, the Borough of Demarest appeared in the matter of In re Petition of the Borough of Demarest, Bergen County, New Jersey, Docket No. BER-L-6031-15, (hereinafter the 'DJ Action') for a Fairness Hearing before the Honorable Menelaos W. Toskos, J.S.C. sitting at Hackensack, New Jersey, from which a Conditional Order of Compliance (hereinafter 'Conditional Order') was entered on April 11, 2018 approving the settlement subject to certain terms and conditions; and

**WHEREAS**, a material condition of the said Conditional Order was set forth in Section 3 i, which required that the Borough 'shall pass an inclusionary zoning ordinance that will permit a maximum of eight multi-family units in two buildings . Within the development, two affordable units shall be reserved for one low income household and for one moderate income household and one shall be a two-bedroom unit and one shall be a three-bedroom unit'; and

**WHEREAS**, the required ordinance has been introduced and adopted, and a Settlement Agreement has been prepared and negotiated with the Intervenor setting forth the specific terms and conditions of the inclusionary zoning and development of the property, which has been approved and executed by the Intervenor's attorney, Richard J. Abrahamsen, Esq.; and

**WHEREAS**, the Borough now seeks to adopt, ratify and authorize execution of the Settlement Agreement referenced herein, and in the Conditional Order.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the Borough of Demarest, County of Bergen, State of New Jersey that the Settlement Agreement negotiated and prepared between counsel for the Borough and Intervenor be and is hereby adopted and ratified, subject to inclusion of the attachments and exhibits referenced therein and receipt of an executed copy of same from the Intervenor's attorney; and


**BE IT FURTHER RESOLVED**, that the Mayor and Borough Clerk be and are hereby authorized to execute the Settlement Agreement as submitted for consideration on the date hereof; and

**BE IT FURTHER RESOLVED**, that the Mayor and Borough Clerk be and are hereby authorized to deliver to the Housing Development Corporation the executed Developer's Agreement in the form and content, and subject to the conditions as set forth above; and

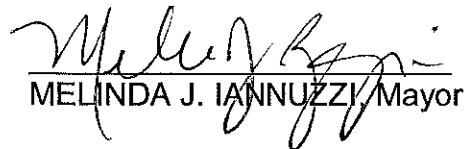
**BE IT FURTHER RESOLVED**, that the Borough Clerk is hereby authorized and directed to provide a copy of this resolution to the Intervenors' attorney, Darlene Green, P.P. of Maser Consulting and Wendy Rubinstein, Esq. Of DeCotiis Fitzpatrick at their usual places of business within seven days of the adoption hereof.

I hereby certify the foregoing to be a true copy of a resolution adopted by the Borough of Demarest Council at a meeting held on August 26, 2019.

ATTEST:

  
Susan Crosman, R.M.C.- Borough Clerk

BOROUGH OF DEMAREST

  
BY: MELINDA J. IANNUZZI, Mayor

Dated:

\* \* \* \* \*

Moved by:  
Second by:

	Aye	Nay	Abstain/Absent
Carroll:	<input checked="" type="checkbox"/>	___	___
Connelly:	<input checked="" type="checkbox"/>	___	___
Fox:	<input checked="" type="checkbox"/>	___	___
Hamilton:	___	___	<input checked="" type="checkbox"/>
LaPira:	<input checked="" type="checkbox"/>	___	___
Kurys:	___	___	<input checked="" type="checkbox"/>

Appendix G.

Avery Settlement Agreement and Zoning Ordinance

**GREGG F. PASTER & ASSOCIATES**

**Attorneys at Law**

Gregg F. Paster, Esq. NJ ID #036951992

April 10, 2019

Richard J. Abrahamsen, Esq.  
Abrahamsen Law LLC  
333 Sylvan Avenue-Suite 107  
Englewood Cliffs, NJ 07632

**Re: In the Matter of the Borough of Demarest, County of Bergen,  
Docket No. BER-L-6301-15**

Dear Counsel:

This letter memorializes the terms of an agreement reached between the Borough of Demarest (the Borough or "Demarest"), the declaratory judgment plaintiff, and Carol E. and Quentin D. Avery ("Avery" or "Intervenors"), owners of property located at 95 County Road within the Borough, and otherwise known as Lot 5, in Block 145, on the Borough tax map (the "Property"), Intervenors in this matter in accordance with In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1, 30 (2015)(Mount Laurel IV) and, through this settlement, a defendant in this proceeding.

**Background**

Demarest filed the above-captioned matter on July 8, 2015 (the "Action") seeking a declaration of its compliance with the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq. in accordance with In re N.J.A.C. 5:96 and 5:97, supra. The Borough and Fair Share Housing Center, a court designated party in interest, have agreed to settle the litigation and, by extension, the Borough seeks to resolve its issues with the Intervenors, who received an Order to Intervene dated May 13, 2016, and to present that settlement to the trial court with jurisdiction over this matter to review, recognizing that the settlement of Mount Laurel litigation is favored because it avoids delays and the expense of trial and results more quickly in the construction of homes for lower-income households.

**Settlement terms**

The Borough and Avery/Intervenors hereby agree to the following terms, specifically as to Lot 5 in Block 145, the Property, and subject to the adoption of an ordinance in substantially the form annexed hereto and incorporated herein as Exhibit A, to enable such terms by the Borough Council in the usual course of business:

1. The site will contain a maximum of six (6) market-rate units and a minimum of two (2) affordable units. The units shall be built in a substantially similar style and

dimensions as the plans prepared by Virgona & Virgona Architects, dated August 7, 2018, consisting of two (2) pages and annexed and incorporated herein as Exhibit B.

2. The affordable units shall be family rental units. One of the units shall be a two-bedroom family unit and one of the units shall be a three-bedroom family unit. Each unit shall contain at least 1.5 bathrooms and have at least one garage space.
3. The 2-bedroom unit will be low income and the 3-bedroom unit will be moderate income designated and governed by controls on affordability and affirmatively marketed in conformance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et. seq. or any successor regulation.
4. The units (market and affordable) shall be designed in such a manner that the garage doors face in to the center of the site. The building closest to County Road shall be designed to look like a large, single-family home.
5. The road serving the units shall be a private road, not dedicated to, nor the maintenance and repair responsibility of the Borough.
6. The front yard setback shall be no less than 35 feet. The side yard setbacks shall be no less than 15 feet. Side yard setbacks shall be suitably landscaped to provide a buffer or screen between the development and any adjacent single-family detached homes.
7. The maximum building height shall be 30 feet and two stories. The maximum building coverage shall be 20%.
8. Trash and recycling shall be stored inside the garage space and subject to collection requirements under the Borough's municipal solid waste and recycling contracts, as amended from time to time. Under no circumstances will there be a dumpster or other common container for household trash to be disposed of by residents of the units.
9. There shall be a deed restriction on the garages that ensure they must be used to park cars and not converted to living space or used as a storage unit.
10. The affordable units shall be deed restricted for a minimum of 30 years. The units shall meet all UHAC rules and shall be maintained in a creditable state. Intervenor and/or their successors and assigns, shall be responsible for all costs associated with the initial rental of the affordable units. In satisfaction of this obligation, Intervenor shall retain Piazza & Associates as the administrative agent, which the Borough hereby pre-approves, to perform all administrative tasks associated with the affordable units to be constructed including but not limited to all those set forth herein or by law. The Administrative Agent shall report to the Municipal Housing Liaison designated by the Borough for such purpose. In the event Piazza & Associates is unwilling or unable to serve in this capacity, then the Parties shall agree on a substitute administrative agent, to be compensated at Intervenor's expense.
11. Intervenor agrees to obtain all approvals and permits, at their own cost and expense, required from any other Board, Agency or Office having jurisdiction over the site and the subject matter of this Agreement, including, but not limited to, the Demarest Planning Board and Building Department, Bergen County Planning

Board, Bergen County Soil Conservation District, New Jersey Department of Environmental Protection and any other applicable official agencies.

**Additional terms and conditions**

1. Prior to becoming effective, this settlement agreement must be approved by the Court as part of a final judgment of compliance and grant of statutory repose hearing as required by Morris Cty. Fair Hous. Council v. Boonton Twp., 197 N.J. Super. 359, 367-69 (Law Div. 1984), aff'd o.b., 209 N.J. Super. 108 (App. Div. 1986); East/West Venture v. Borough of Fort Lee, 286 N.J. Super. 311, 328-29 (App. Div. 1996). The Borough shall present its planner as a witness at this hearing, if so required by the Court. The Court-appointed Special Master shall also appear, either in person or by affidavit, as a witness at this hearing. Intervenor agree to cooperate and support the Borough's motion for entry of a judgment of compliance and will not object to entry of same, provided the Borough complies with its duties and obligations hereunder. In the event the Court approves this proposed settlement, the parties agree that the Borough will be entitled to either a "Judgment of Compliance and Repose" or "the judicial equivalent of substantive certification and accompanying protection as provided under the FHA," which shall be determined by the trial judge. The "accompanying protection" shall remain in effect through July 1, 2025, during which time Demarest's immunity from all Mount Laurel lawsuits shall be maintained. If the settlement agreement is rejected by the Court at a final judgment of compliance hearing, it shall be null and void.
2. If an appeal is filed of the Court's approval or rejection of the Settlement Agreement, the Parties agree to defend the Agreement on appeal, including in proceedings before the Superior Court, Appellate Division and New Jersey Supreme Court, and to continue to implement the terms of the Settlement Agreement if the Agreement is approved before the trial court unless and until an appeal of the trial court's approval is successful at which point, the Parties reserve their right to rescind any action taken in anticipation of the trial court's approval. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement.
3. This settlement agreement may be enforced through a motion to enforce litigant's rights or a separate action filed in Superior Court, Bergen County. Intervenor agree to support the Borough's efforts to meet its affordable housing obligations as demonstrated in this agreement. Provided that the Borough complies with the terms in this agreement Intervenor and its successors and assigns, agree not bring any litigation or other challenges to the Borough's immunity through the duration of this agreement.
4. As a material term of this settlement agreement, Intervenor agree to pay or reimburse the Borough for all past and future fees and costs incurred in the

zoning board of adjustment or planning board application(s) presented for consideration with regard to the Property. This excludes fees and costs incurred by the Borough in the prosecution and/or defense of the Action which forms the basis for this settlement agreement, but includes any site plan approval required hereunder. Intervenor or their successors/assigns shall establish an escrow account to cover these costs in an amount estimated to be sufficient to complete the review and hearing process for site plan and other approvals required to effectuate this Agreement, and shall replenish same as necessary, consistent with the Municipal Land Use Law. This Agreement and the Borough's duty to perform hereunder, shall be suspended and held in abeyance if and when the escrow account is exhausted or deficient to cover pending costs, until it is replenished as required by the Borough.

5. Intervenor acknowledges that as part of the site plan approval process, the Planning Board may require on-site and/or off-site improvements as permitted by N.J.S.A. 40:4055D-42, and agree to comply with any such commercially reasonable requirements thereof, and any challenge to such condition shall be confined to efforts to rectify such condition imposed, not to otherwise disturb this Agreement.
6. Unless otherwise specified, it is intended that the provisions of this Agreement are to be severable. The validity of any article, section, clause or provision of this Agreement shall not affect the validity of the remaining articles, sections, clauses or provisions hereof. If any section of this Agreement shall be adjudged by a court to be invalid, illegal, or unenforceable in any respect, such determination shall not affect the remaining sections.
7. This Agreement shall be governed by and construed by the laws of the State of New Jersey, and is binding and enforceable against the parties' executors, heirs, successors and/or assigns as their interests may appear.
8. This Agreement may not be modified, amended or altered in any way except by a writing signed by each of the Parties.
9. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same Agreement.
10. The Parties acknowledge that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each party is the proper person and possess the authority to sign the Agreement, that this Agreement contains the entire understanding of the Parties and that there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.

11. Each of the Parties hereto acknowledges that this Agreement was not drafted by any one of the Parties, but was drafted, negotiated and reviewed by all Parties and, therefore, the presumption of resolving ambiguities against the drafter shall not apply. Each of the Parties expressly represents to the other Parties that: (i) it has been represented by counsel in connection with negotiating the terms of this Agreement; and (ii) it has conferred due authority for execution of this Agreement upon the persons executing it.
12. Any and all Exhibits and Schedules annexed to this Agreement are hereby made a part of this Agreement by this reference thereto. Any and all Exhibits and Schedules now and/or in the future are hereby made or will be made a part of this Agreement with prior written approval of both Parties.
13. This Agreement constitutes the entire Agreement between the Parties hereto and supersedes all prior oral and written agreements between the Parties with respect to the subject matter hereof except as otherwise provided herein.
14. No member, official or employee of the Borough shall have any direct or indirect interest in this Settlement Agreement, nor participate in any decision relating to the Agreement which is prohibited by law, absent the need to invoke the rule of necessity.
15. Anything herein contained to the contrary notwithstanding, the effective date of this Agreement shall be the date upon which all of the Parties hereto have executed and delivered this Agreement.
16. All notices required under this Agreement ("Notice[s]") shall be written and shall be served upon the respective Parties by certified mail, return receipt requested, or by a recognized overnight or by a personal carrier. In addition, where feasible (for example, transmittals of less than fifty pages) shall be served by facsimile or e-mail. All Notices shall be deemed received upon the date of delivery. Delivery shall be affected as follows, subject to change as to the person(s) to be notified and/or their respective addresses upon ten (10) days notice as provided herein:

**TO AVERY:**

Richard J. Abrahamsen, Esq.  
Abrahamsen Law LLC  
333 Sylvan Avenue-Suite 107  
Englewood Cliffs, NJ 07632  
Phone: (201) 840-5660  
Telecopier: (201-840-5663)  
E-mail: rja.attorney@gmail.com

**TO THE BOROUGH:**

Gregg F. Paster, Esq.  
Gregg F. Paster & Associates  
530 Sylvan Avenue-Suite 201  
Englewood Cliffs, NJ 07632  
E-mail: gpaster@pasteresq.com  
Phone: (201) 489-0078  
Telecopier: (201)816-1522

**WITH A COPY TO THE  
MUNICIPAL CLERK:**

Susan Crosman, RMC  
Borough of Demarest  
118 Serpentine Road  
Demarest, NJ 07627

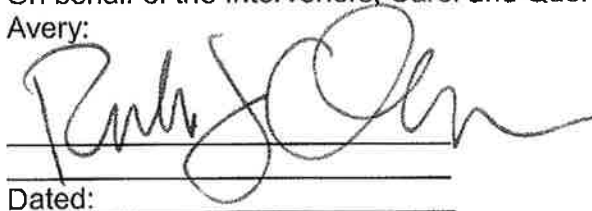
Please sign below if these terms are acceptable.

Sincerely,



Gregg F. Paster, Esq.  
Counsel for Plaintiff/Petitioner  
Borough of Demarest

On behalf of the Intervenors, Carol and Quentin  
Avery:

  
Dated: \_\_\_\_\_

ORDINANCE # 1066-19

BOROUGH OF DEMAREST  
BERGEN COUNTY, NEW JERSEY

AN ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER 175 "ZONING", ARTICLE " \_\_\_\_\_", SO AS TO CREATE A NEW SECTION \_\_\_\_ ENTITLED "REISIDENTIAL MULTI-FAMILY" ZONE

WHEREAS, the Borough of Demarest has a constitutional obligation to create a realistic opportunity for the construction of its fair share of the region's need for affordable housing; and

WHEREAS, the Borough voluntarily brought a timely declaratory judgement action pursuant to the procedures set forth by the Supreme Court in *In Re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (201)* ("*Mt. Laurel IV*") seeking approval of a Housing Element and Fair Share Plan that satisfied the Borough's obligation to provide for its fair share of the regional need of low and moderate income housing; and

WHEREAS, after a Fairness Hearing held on March 26, 2018, by the Order dated April 11, 2018, Hon. Menelaos W. Toskos, J.S.C. approved the settlement agreement between the Borough of Demarest and Fair Share Housing Center intended to establish the Borough's affordable housing obligation; and

WHEREAS, pursuant to the requirements of the April 11, 2018 Order, the Borough of Demarest intends to supplement its Zoning Ordinance to include provisions addressing Demarest's constitutional obligation to provide for its fair share of low and moderate income housing, as directed by the Superior Court and consistent with N.J.A.C. 5:93-1, et seq., as amended and supplemented, N.J.A.C. 5:80-26.1, et seq., as amended and supplemented, and the New Jersey Fair Housing Act of 1985; and

WHEREAS, the Demarest Planning Board has adopted a Housing Element and Fair Share Plan dated March 6, 2019 pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1, et seq., which addresses the requirements of N.J.A.C. 5:93-1, et seq., as amended and supplemented, N.J.A.C.5:80-26.1, et seq. as amended and supplemented, and the New Jersey Fair Housing Act of 1985; and

WHEREAS, this Ordinance is intended to implement the above-referenced Housing Element and Fair Share Plan, which has been endorsed by the Governing Body; and

WHEREAS, the Borough Council has determined that certain lands comprised of Block 145, Lot 5 within the R-C Zone are suited for rezoning to permit inclusionary residential development.

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Council of the Borough of Demarest, County of Bergen, State of New Jersey, that the following amendments be made to the Municipal Code of the Borough of Demarest:

Section 1: Demarest Borough Code Chapter 175 "Zoning", Article II "Establishment of Districts", subsection 2 "Districts Enumerated" be amended to add the following underlined language alphabetically:

**§175-2 Districts enumerated.**

R-MF Residential Multi-Family

**Section 2:** Demarest Borough Code Chapter 175 “Zoning”, Article IV “Residence Districts”, subsection 12 “(Reserved)” be replaced and amended to add the following underlined language:

**§175-12 Residential Multi-family District.**

A. Permitted principal uses:

(1) Townhomes

(2) Stacked flats

B. Permitted accessory uses:

(1) Trash

(2) Fences

(3) Landscaping and buffering

(4) Open space

C. Bulk standards:

(1) Minimum lot area – 2 acres

(2) Minimum lot width – 150 feet

(3) Minimum front yard setback – 35 feet

(4) Minimum side yard setback – 15 feet

(5) Minimum rear yard setback – 50 feet

(6) Maximum building coverage – 20%

(7) Maximum impervious coverage – 50%

(8) Maximum building height – 2 stories and 30 feet

(9) Maximum density – 4 units per acre

D. Architectural standards:

- (1) Garage doors shall face in to the center of the site.
- (2) The building closest to County Road shall be designed to look like a large, single-family home.
- (3) Building offsets (projects and recesses) shall be provided every 35 feet to break up the mass of the buildings. These offsets shall be a minimum of eight inches.

E. Parking

- (1) Parking shall be provided in conformance with the Residential Site Improvement Standards.
- (2) Where provided, garages shall be used to park cars and not converted to living space or used as storage units.

F. Signage

- (1) One monument sign may be installed to identify the development.
- (2) Said sign shall be a maximum of 20 square feet and a maximum of 5 feet tall.
- (3) Said sign shall be setback 10 feet from the property line.
- (4) Said sign may be externally illuminated.

G. Lighting

- (1) A lighting plan prepared by a qualified individual shall be provided with site plan applications.
- (2) All parking areas shall have a minimum average illumination of 0.5 footcandles.
- (3) No lighting at the property line shall exceed 0.5 footcandles.
- (4) Light fixtures shall be full cut off and no taller than 15 feet.

H. Landscaping

- (1) Landscaping shall be provided to promote a desirable visual environment, to accentuate building design, screen parking areas and mitigate averse visual impacts.

- (2) Shade trees shall be provided at a rate of one per 50 linear feet along the public right-of-way. Shade trees shall be a minimum three-inch caliper.
- (3) Side yard setbacks shall be suitably landscaped where they abut existing single-family homes to provide a solid screen. Said screen shall consist of six-foot tall evergreens.
- (4) Parking and driveways areas shall be landscaped with a combination of shade trees and shrubs. Shrubs shall be a minimum of 2.5 feet tall at installation.
- (5) Foundation plantings shall be provided to soften the mass of the buildings. Said plants shall provide seasonal interest at varying heights to complement and provide pedestrian scale to the proposed development.

I. Trash

- (1) Trash and recycling shall be stored inside each individual garage space.

J. Affordable housing.

- (1) Block 145, Lot 5 shall provide two affordable family rental units in accordance with the Settlement Agreement.
- (2) The affordable units shall meet the standards listed in Section 175-46 entitled "Affordable Housing Regulations".
- (3) The developer/HOA shall be responsible for retaining a qualified Administrative Agent, who shall be the Borough's Administrative Agent, or a certified entity approved by the Council.
- (4) All necessary steps shall be taken to market affordable units provided creditworthy pursuant to applicable law.

**Section 3.** The Official Zoning Map shall be changed for Block 145, Lot 5 from Residential C Zone to R-MF Residential Multi-Family District.

**Section 4. Severability.**

If any section, subsection, paragraph, sentence or other part of this Ordinance is adjudged unconstitutional or invalid, such judgement shall not affect or invalidate the remainder of the Ordinance, but shall be confined in its effect to this section, subsection, paragraph sentence or other part of this Ordinance directly involved in the controversy with respect to which said judgement 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, and its provisions shall apply to all building permits applied for on or after the date of adoption and publication hereof as prescribed by law.

BOROUGH OF DEMAREST

By:   
Melinda Iannuzzi, Mayor

ATTEST:

  
Susan Crosman, RMC, Borough Clerk

Introduced: April 29, 2019

Adopted: August 26, 2019

G:\Client\_GOV\DEMAREST\Demarest\_Borough Of\_General Counsel\_COAH - RCA\Declaratory Judgment Action 2015\180712dag\_95\_County\_Road\_Ordinance.docx

Appendix H.

Council Rehabilitation Designation

**INTRODUCED: Mr. Paster**

**SECONDED: Mrs. Iannuzzi**

**BOROUGH OF DEMAREST  
COUNTY OF BERGEN**

**DESIGNATION OF AN AREA IN NEED OF REHABILITATION PURSUANT TO  
N.J.S.A. 40A:12A-14.**

**WHEREAS**, the Borough of Demarest is authorized pursuant to N.J.S.A. 40A:12A-14 to determine that a delineated area may be in need of rehabilitation if the Governing Body determines by resolution that there exist conditions that (1) a significant portion of the structures therein are in a deteriorated or substandard condition and there is a continuing pattern of vacancy, abandonment or underutilization of properties in the area, with a persistent arrearage of property tax payments thereon or (2) more than half of the housing stock in the delineated area is at least 50 years old, or a majority of the water and sewer infrastructure in the delineated area is at least 50 years old and is in need of repair or substantial maintenance; and (3) a program of rehabilitation as defined in N.J.S.A. 40A:12A-3 may be expected to prevent further deterioration and promote the overall development of the community; and

**WHEREAS**, in February of 2017, the Governing Body authorized an investigation into whether the 29 parcels all within the Borough's downtown area ("Original Study Area") constitutes an area in need of rehabilitation pursuant to N.J.S.A. 40A-12A-14; and

**WHEREAS**, on May 15, 2017, the Governing Body adopted Resolution which authorized an amended area to be investigated, which area is different than the Original Study Area, to determine if such area qualifies for designation an "Area in Need of Rehabilitation" pursuant to N.J.S.A. 40A:12A-14; specifically the following Blocks and Lots:

- Block 23, Lot 9 – 109 Hardenburgh Ave.
- Block 23, Lot 10 – 119 Hardenburgh Ave.
- Block 23, Lot 12 – 123 Hardenburgh Ave.
- Block 23, Lots 13 & 14 – 127 Hardenburgh Ave.
- Block 23, Lot 15 – 129 Hardenburgh Ave.
- Block 23, Lot 16 – 39-41-43 Park St.
- Block 23, Lot 17.01 – 27 Park St.
- Block 23, Lots 17.02, 19, 20 & 23 – 118 Serpentine Rd.
- Block 23, Lot 21 – 110 Serpentine Rd.
- Block 46, Lot 664 – 2 Christie St.
- Block 46, Lot 760 – 108 Hardenburgh Ave.
- Block 46, Lot 764 – 112 Hardenburgh Ave.
- Block 49, Lot 39.01 – 3 Wakelee Dr.
- Block 49, Lots 40.01 & 41.02 – 7 Wakelee Dr.
- Block 49, Lot 41.01 – 15 Wakelee Dr.
- Block 49, Lot 50 – 122 Hardenburgh Ave.

- Block 49, Lot 51 – 118 Hardenburgh Ave.
- Block 49, Lot 52 – 114 Hardenburgh Ave.
- Block 49.01, Lot 43.01 – Wakelee Dr.
- Block 49.01, Lot 43.02 – 126-132 Hardenburgh Ave.
- Block 49.01, Lot 44 – 140 Hardenburgh Ave.
- Block 49.01, Lot 45 – 134 Hardenburgh Ave.
- Block 49.01, Lot 47.02 – Wakelee Dr.

(Collectively these Blocks and Lots shall be referred to as the “New Study Area”); and

**WHEREAS**, the Governing Body have received and reviewed the report prepared by Maser Consulting dated March 7, 2017, Revised March 8, 2017, Revised March 15, 2017 which is entitled “Area in Need of Rehabilitation Study” that is attached hereto and incorporated herein as Exhibit A (the “Investigation Report”) that supports a finding that certain areas of the Borough of Demarest qualify as an area in need of rehabilitation because a majority of the housing stock in the delineated area is at least 50 years old and a program of rehabilitation as defined in N.J.S.A. 40A:12A-3 may be expected to prevent further deterioration and promote the overall development of the community; and

**WHEREAS**, the Governing Body has provided the Planning Board with a copy of this resolution prior to its adoption as required by N.J.S.A. 40A:12A-14 and

Check Only One:

the Planning Board has within 45 days of receipt of the proposed resolution provided its recommendations regarding the proposed resolution, including any modifications which it may recommend to the Governing Body for consideration; or

the Planning Board has not submitted a recommendation to the Governing Body within 45 days of receipt of the proposed resolution.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Council of the Borough of Demarest as follows:

Check Only One That Applies:

The Governing Body has received the recommendation of the Planning Board and does hereby accept the recommendation of the Planning Board dated \_\_\_\_\_.

The Governing Body has received the recommendation of the Planning Board and does hereby reject the recommendation of the Planning Board dated July 10, 2017 for the following reasons - the Mayor and council acted notwithstanding their recommendation, since the council decided that an asymmetrical zone boundary was impractical and inefficient.

\_\_\_\_\_ The Governing Body has not received the recommendation of the Planning Board and 45 days has elapsed since the Planning Board received the proposed form of resolution; and

**BE IT FURTHER RESOLVED** that the Governing Body adopts the findings and recommendations of the Investigation Report attached hereto and incorporated herein as Exhibit A; and

**BE IT FURTHER RESOLVED** that the Governing Body finds that a majority of the housing stock in the Study Area is at least 50 years old and a program of rehabilitation as defined in N.J.S.A. 40A:12A-3 may be expected to prevent further deterioration and promote the overall development of the community; and

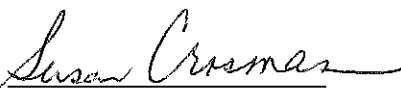
**BE IT FURTHER RESOLVED** that the Governing Body hereby declares that the Study Area described above and in the map attached hereto and incorporated herein as Exhibit A constitutes an area in need of rehabilitation that shall be known as the "Downtown Rehabilitation Area"; and

**BE IT FURTHER RESOLVED** that the Borough Clerk and Borough Attorney are hereby directed to supervise the undertaking of a planning, engineering and legal analysis to develop a program of rehabilitation for the Downtown Rehabilitation Area, including the preparation of redevelopment plan for the Downtown Rehabilitation Area that complies with the requirements of N.J.S.A. 40A:12A-15; and

**BE IT FURTHER RESOLVED** that the Borough Clerk is hereby directed forthwith to transmit a copy of this resolution to the Commissioner of Community Affairs for review and approval within 30 calendar days of transmittal by the Clerk pursuant to the requirements of N.J.S.A. 40A:12A-14 and N.J.S.A. 40A:12A-7. This resolution shall be deemed approved by the Commissioner of Community Affairs if the Commissioner does not issue an approval or disapproval within 30 calendar days of transmittal by the Borough Clerk.

	YES	NO	ABSTAIN/ABSENT
Paster:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carroll:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Davis:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fox:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Iannuzzi:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LaPira:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

I, Susan Crosman, Borough Clerk, do hereby certify that the foregoing is a true copy of a resolution adopted by the Mayor and council at a meeting held on July 24, 2017.

  
Susan Crosman, RMC  
Borough Clerk/Coordinator

Appendix I.

Hardenburgh Avenue Redevelopment Plan

# DOWNTOWN REDEVELOPMENT PLAN

For 23 properties.

*Borough of Demarest*  
Bergen County, New Jersey

January 10, 2020



# DOWNTOWN REDEVELOPMENT PLAN

# BOROUGH OF DEMAREST

Bergen County, New Jersey



For the following properties:

Block 23, Lot 9	Block 46, Lot 39.01
Block 23, Lot 10	Block 46, Lot 40.01 & 41.02
Block 23, Lot 12	Block 46, Lot 41.01
Block 23, Lot 13 & 14	Block 46, Lot 50
Block 23, Lot 15	Block 46, Lot 51
Block 23, Lot 16	Block 46, Lot 52
Block 23, Lot 17.01	Block 49.01, Lot 43.01
Block 23, Lot 17.02, 19, 20 & 23	Block 49.01, Lot 43.02
Block 23, Lot 21	Block 49.01, Lot 44
Block 46, Lot 664	Block 49.01, Lot 45
Block 46, Lot 760	Block 49.01, Lot 47.02
Block 46, Lot 764	

Recommended by the Planning Board: October 2, 2019  
Amendment #1 Recommended by the Planning Board: February 5, 2020

Adopted by the Mayor and Council: November 25, 2019  
Amendment #1 Adopted by the Mayor and Council: February 24, 2020

Prepared by:

Darlene A. Green, AICP, PP



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## 1. INTRODUCTION

In February of 2017, the Mayor and Council requested that Maser Consulting undertake a study to determine if certain block and lots along Hardenburgh Avenue could qualify as an Area in Need of Rehabilitation, pursuant to the New Jersey Local Redevelopment and Housing Law (hereafter “LRHL”), N.J.S.A. 40A:12A-1 et seq. The Mayor and Council and the Planning Board received a report dated March 7, 2017 and revised through March 15, 2017 from Maser Consulting, which indicated that more than half of the housing stock in the Study Area is greater than 50 years old and that the Study Area can be deemed an Area in Need of Rehabilitation.

Based on Maser Consulting’s report, the Planning Board found that the Study Area satisfied the statutory criteria to be designated as an Area in Need of Rehabilitation. However, they adopted a Resolution on July 10, 2017 recommending the Mayor and Council designate only designate Block 23, Lots 9, 10, 12, 13, 14, 16, 16, 17.01, 17.02, 19, 20, 21 and 23; Block 49, Lots 50, 51 and 52; and Block 49.01, Lots 42, 43.01, 43.02, 44, 45, 47.01 and 47.02. Then on July 24, 2017, the Mayor and Council adopted a Resolution, which rejected the recommendation of the Planning Board and designated all 23 tax lots within the Study Area as an Area in Need of Rehabilitation. The reason outlined in the Resolution was that an asymmetrical zone boundary was impractical and inefficient.

This Redevelopment Plan is essentially a master plan with “teeth” – a planning document that merges the vision of a master plan with the authority of a zoning ordinance. The required components of a Redevelopment Plan are described in the following section.

### 1.1. REQUIRED PLAN COMPONENTS

This document has been prepared in accordance with Section 40A:12A-7a of the LRHL, which requires redevelopment plans to include an outline for the planning, development, redevelopment or rehabilitation of the designated parcels. Specifically, the following components are required:

1. The Redevelopment Plan’s relationship to definite local objectives as to appropriate land uses, density of population and improved traffic and

public transportation, public utilities, recreational and community facilities and other public improvements. (See Chapter 4.)

2. Proposed land uses and building requirements in the project area. (See Chapter 6.)
3. Adequate provisions for the temporary and permanent relocation, as necessary, of residents in the project area, including an estimate of the extent to which decent, safe and sanitary dwelling units affordable to displaced residents will be available to them in the existing local housing market. (See Chapter 6.)
4. An identification of any property within the area, which is proposed to be acquired in accordance with the redevelopment plan. (See Chapter 6.)
5. Any significant relationship of the redevelopment plan to the master plans of contiguous municipalities; the master plan of the county in which the municipality is located; the State Development and Redevelopment Plan adopted pursuant to the “State Planning Act”, P.L. 1985, c.398 (C.52:18A-196 et al.). (See Chapter 5.)
6. As of the date of the adoption of the resolution finding the area to be in need of redevelopment, an inventory of all housing units affordable to low- and moderate-income households, as defined pursuant to section 4 of P.L.1985, c.222 (C.52:27D-304), that are to be removed as a result of implementation of the redevelopment plan, whether as a result of subsidies or market conditions, listed by affordability level, number of bedrooms, and tenure. A plan for the provision, through new construction or substantial rehabilitation of one comparable, affordable replacement housing unit for each affordable housing unit that has been occupied at any time within the last 18 months, that is subject to affordability controls and that is identified as to be removed as a result of implementation of the redevelopment plan. (See Chapter 6.)
7. The redevelopment plan shall describe its relationship to pertinent municipal development regulations as defined in the "Municipal Land Use Law," P.L.1975, c.291 (C.40:55D-1 et seq.). The redevelopment plan shall supersede applicable provisions of the development

regulations of the municipality or constitute an overlay zoning district within the redevelopment area. (See Chapter 7.)

8. All provisions of the redevelopment plan shall be either substantially consistent with the municipal master plan or designed to effectuate the master plan. (See Chapter 4.)

## 2. STUDY AREA

The Rehabilitation Area totals 11.23 acres and is centered along Hardenburgh Avenue. The Rehabilitation Area, shown on the following page, is bound by Borough-owned property and residences. The eastern boundary is located along Park Street and the railroad right-of-way, while Christie Street creates the western boundary.

Currently, the Rehabilitation Area contains 23 tax lots which are occupied by a variety of uses. It should be noted that there are 23 tax lots according to the tax records, but the County MOD-IV GIS tax data indicates there are 28 “parcels” within the Rehabilitation Area. Where more than one parcel is located on a tax card, the parcels are listed on the same line below. The following tax lots comprise the Study Area:

- Block 23, Lot 9 – 109 Hardenburgh Ave.
- Block 23, Lot 10 – 119 Hardenburgh Ave.
- Block 23, Lot 12 – 123 Hardenburgh Ave.
- Block 23, Lot 13 & 14 – 127 Hardenburgh Ave.
- Block 23, Lot 15 – 129 Hardenburgh Ave.
- Block 23, Lot 16 – 39-41-43 Park St.
- Block 23, Lot 17.01 – 27 Park St.
- Block 23, Lots 17.02, 19, 20 & 23 – 118 Serpentine Rd.
- Block 23, Lot 21 – 110 Serpentine Rd.
- Block 46, Lot 664 – 2 Christie St.
- Block 46, Lot 760 – 108 Hardenburgh Ave.
- Block 46, Lot 764 – 112 Hardenburgh Ave.
- Block 49, Lot 39.01 – 3 Wakelee Dr.
- Block 49, Lot 40.01 & 41.02 – 7 Wakelee Dr.
- Block 49, Lot 41.01 – 15 Wakelee Dr.
- Block 49, Lot 50 – 122 Hardenburgh Ave.
- Block 49, Lot 51 – 118 Hardenburgh Ave.
- Block 49, Lot 52 – 114 Hardenburgh Ave.
- Block 49.01, Lot 43.01 – Wakelee Dr.
- Block 49.01, Lot 43.02 – 126-132 Hardenburgh Ave.
- Block 49.01, Lot 44 – 140 Hardenburgh Ave.

<sup>1</sup> [http://demarestnj.net/Borough/Ordinances/Borough%20Code%20-%20Part%20I%20-%20General%20Legislation%20-%20202%20\(3-7-17\).pdf](http://demarestnj.net/Borough/Ordinances/Borough%20Code%20-%20Part%20I%20-%20General%20Legislation%20-%20202%20(3-7-17).pdf)

- Block 49.01, Lot 45 – 134 Hardenburgh Ave.
- Block 49.01, Lot 47.02 – Wakelee Dr.

### 2.1. THE PARCELS

The following pages provide information on each parcel and its current zoning designation.<sup>1</sup>

#### BLOCK 23, LOT 9

Lot 9 is situated at 109 Hardenburgh Avenue. This lot is located in the Residence D District. A church currently occupies the parcel.

#### BLOCK 23, LOT 10

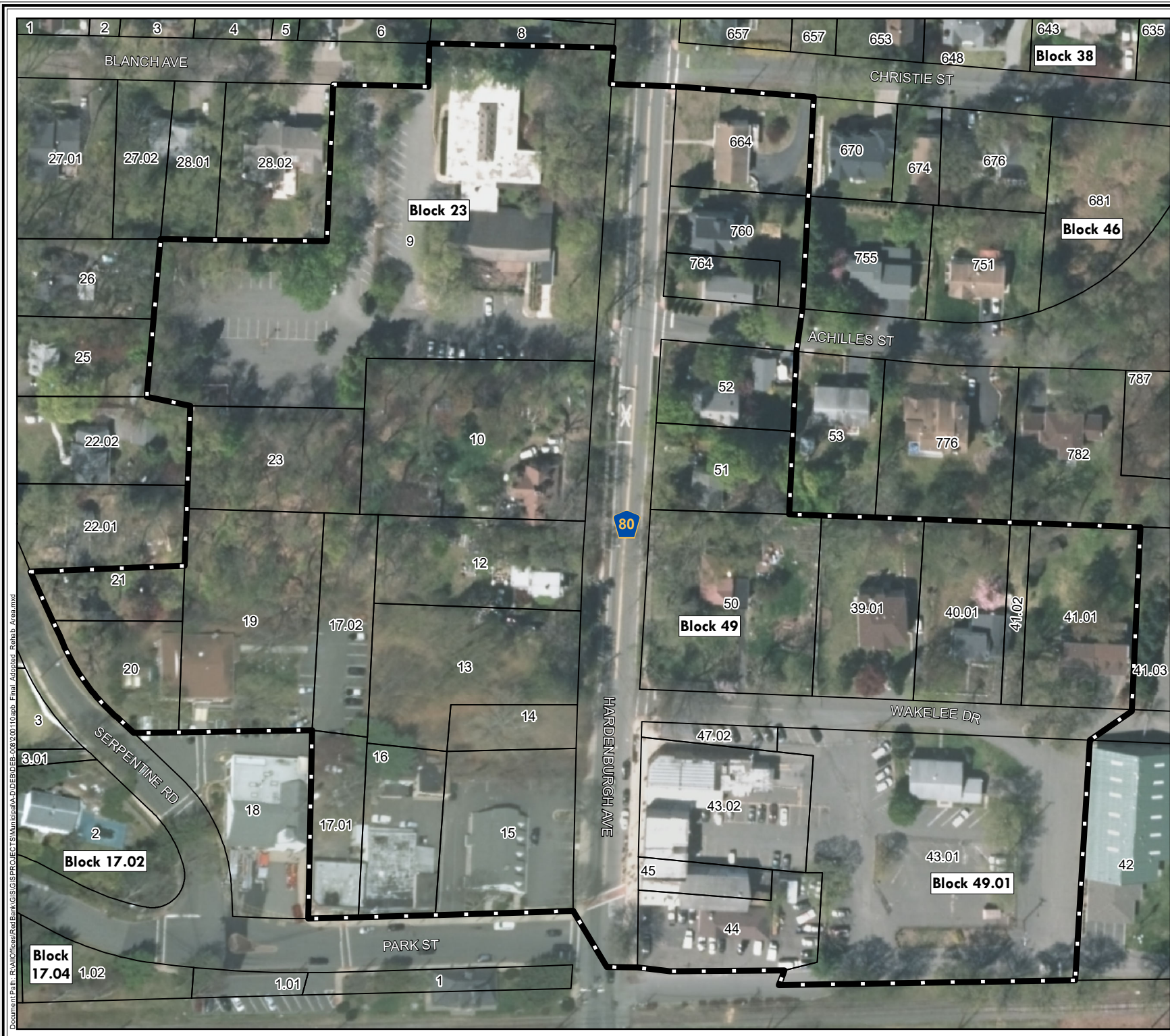
Lot 10 is located at 119 Hardenburgh Avenue. This parcel is located in the Residence D District. The parcel contains a single-family detached home.

#### BLOCK 23, LOT 12

This parcel is located at 123 Hardenburgh Avenue and is located in the Residence D District. The parcel contains a two-family home.

#### BLOCK 23, LOTS 13 & 14



According to tax records, Lot 13 and 14 is a Borough-owned property located in the Residential D District. The lots are vacant.

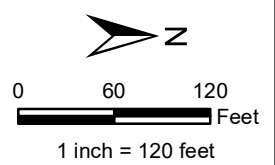


**FINAL AND  
ADOPTED  
REHABILITATION  
AREA**

**BOROUGH  
OF  
DEMAREST**

BERGEN COUNTY  
NEW JERSEY

- Legend**
-  Rehabilitation Area
  -  Borough Parcels



This map was developed using NJDEP and County GIS digital data, but this secondary product has not been verified by NJDEP and is not state-authorized.



January 10, 2020

Document Path: R:\AI\Office\RedBank\GIS\Borough\PROJECT\SM\mapa\A-D\DEMBE-08\201101\Map\_ Final\_Adopted\_Rehab\_Area.mxd

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### BLOCK 23, LOT 15

Lot 15 is located at 129 Hardenburgh Avenue and situated on the corner of Hardenburgh Avenue and Park Street. It is located in the Community Business District1 (hereafter “CB-I”). The property houses the Bank of America building. See photo below.



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### BLOCK 23, LOT 16

This lot is situated at 39, 41 and 43 Park Street. It is located within the CB-I District. This property contains a two-family home according to the tax card.

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### BLOCK 23, LOT 17.01

This parcel is situated at 27 Park Street and located within the CB-I District. A one-story commercial building currently occupies the parcel, which contains multiple tenants. See photo top right.



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### BLOCK 23, LOT 17.02, 19, 20 AND 23

This combination of four Borough-owned parcels totals 1.39 acres in size and is located at 118 Serpentine Road. Lots 17.02, 19 and 20 are located in the CB-I District while Lot 23 is located in the Residence D District. Lot 23 is undeveloped and has no street frontage. The municipal building straddles Lots 19 and 20. A portion of the parking lot is on Lot 17.02.

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### BLOCK 23, LOT 21

This property located at 110 Serpentine Road and is located in the Residence D District. The parcel contains a single-family detached home owned by the Borough.

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### BLOCK 46, LOT 664

Located at 2 Christie Street, on the northeast corner of Hardenburgh Avenue and Christie Street, Lot 664 sits in the Residence D District. A single-family detached home occupies the parcel. (See the image on the following page.)



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**BLOCK 46, LOT 760**

Lot 760 is located at 108 Hardenburgh Avenue within the Residence D District. A single-family detached home sits on the lot.

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**BLOCK 46, LOT 764**

This parcel is located at 112 Hardenburgh Avenue, on the corner of Hardenburgh Avenue and Achilles Street. Lot 764 is located in the Residence D District. The property contains a single-family detached home.

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**BLOCK 49, LOT 39.01**

Lot 39.01 is situated at 3 Wakelee Drive in the Residence D District. A single-family detached home occupies the property.

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**BLOCK 49, LOT 40.01 & 41.02**

Lots 40.01 and 41.02 are located at 7 Wakelee Drive in the Residence D District. The property is occupied by a single-family detached home.

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**BLOCK 49, LOT 41.01**

Lot 41.01 is located at 15 Wakelee Drive in the Residence D District. A single-family detached home sits on the lot. See photo below.



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**BLOCK 49, LOT 50**

This property is located on the corner of Hardenburgh Avenue and Wakelee Drive in the Residence D District and is situated at 122 Hardenburgh Avenue. The lot has a single-family detached home.

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### BLOCK 49, LOT 51

Located at 118 Hardenburgh Avenue, Lot 51 is located in the Residence D District. The property contains a single-family detached home.

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### BLOCK 49, LOT 52

Lot 52 is located at 114 Hardenburgh Avenue and is a corner lot on Achilles Street. This single-family detached home is located in the Residence D District.

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### BLOCK 49.01, LOT 43.01

This lot is located along Wakelee Drive. It is 58,370 square feet, or 1.34 acres, in area. This parcel is located in the CB-I District. The lot contains an ambulance building, some accessory structures and a parking lot.

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### BLOCK 49.01, LOT 43.02

Lot 43.02 is located in the CB-I District at 126-132 Hardenburgh Avenue. The lot contains a one- and three-story building with commercial uses on the first floor and residential units above. See photo top right.



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### BLOCK 49.01, LOT 44

Lot 44 is located within the CB-I District at 140 Hardenburgh Avenue. The site contains a one-story commercial building.

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### BLOCK 49.01, LOT 45

Lot 45 is a small lot located at 134 Hardenburgh Avenue and is within the CB-I District. The parcel contains a two-story mixed-use building with commercial on the first floor and residential units above.

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### BLOCK 49.01, LOT 47.02

This parcel is the smallest within the Study Area. It is located at the intersection of Hardenburgh Avenue and Wakelee Drive. It has roughly 14 feet of frontage on Hardenburgh Avenue and 126 feet on Wakelee Drive and an area of approximately 2,336 square feet. The lot is used as on-street parking for the post office.

### 3. PLAN GOALS

This chapter provides the goals of the Hardenburgh Avenue Redevelopment Plan, which are as follows:

1. To encourage redevelopment within the Rehabilitation Area that is in keeping with the village-style “downtown”.
2. To improve the aesthetics of the village center and to create an inviting atmosphere that is pedestrian-friendly.
3. To expand the retail and service offerings within the Borough.
4. To create the opportunity for apartments and condominiums, within the Rehabilitation Area, to diversify the Borough’s housing stock.
5. To fulfill a portion of the Borough’s affordable housing obligation.

The pictures below and to the right are illustrative photos of the vision for the Rehabilitation Area.



## 4. RELATIONSHIP TO LOCAL OBJECTIVES

This chapter analyzes the relationship of the Downtown Redevelopment Plan to local objectives, specifically existing master plan goals, objectives and recommendations. Demarest has three planning documents from 1959, 2001 and 2010, which have been examined. Also reviewed is the Redevelopment Plan's relationship to the Borough's existing zoning.

### 4.1. 1959 MASTER PLAN

Page 4 of the 1959 Master Plan lists Principles and Objectives for the Borough to follow. Two of the eight Objectives listed would be advanced by the development and/or redevelopment of the Rehabilitation Area:

- 4) Confine business development to that type which will serve the resident population of the Borough with local day-to-day goods and services.
- 5) Assure that business development will be located in convenient and harmonious relation to residential development, with adequate off-street parking and with emphasis on good design.

Additionally, the report contains a section entitled "Public Facilities Plan". Within this text is a sub-section entitled "Civic Center". The Civic Center section recommends the development of a civic center at the existing location of the Borough Hall. The 1959 plan envisioned a center that provides a space for all governmental functions that would be connected to Hardenburgh Avenue via a "shopper's mall" that would have businesses fronting upon the mall with parking facilities at the rear of the stores.<sup>2</sup> The municipal building would be the visual terminus of the "shopper's mall" looking south from Hardenburgh Avenue.

This Redevelopment Plan concurs with the concept of stores along the street and parking in the rear to create a pedestrian-friendly atmosphere within the village core.

<sup>2</sup> 1959 Master Plan received from the Borough Clerk.

### 4.2. 2001 MASTER PLAN

In 2001 Demarest adopted a Master Plan: Housing Plan Element and Fair Share Plan. Due to the ongoing litigation surrounding affordable housing and the substantial changes that have occurred since 2001, this document is no longer valid.

### 4.3. 2010 MASTER PLAN REEXAMINATION

The Borough's most recent master plan reexamination document is entitled 2010 Master Plan Reexamination Report. Page 17 of the 2010 Master Plan Reexamination Report does not contain any recommendations which pertain to the Rehabilitation Area. However, due to the increased use of pervious surfaces by applicants, such as pervious pavers, the Planning Board was concerned that over time, such surfaces would become impervious from lack of maintenance. It was recommended that a control be put in place to limit the total improved lot coverage. Such regulation has not yet been established.

In response to this recommendation, this report does include a limitation on the total improved (impervious) lot coverage.

### 4.4. ZONING ORDINANCE

The 23 tax lots are located in one of two zones, the Residence D District or the CB-I District. A total of 14 lots are located in the Residence D District while nine are located in the CB-I District. The permitted uses and bulk standards for each of these zones is outlined below.

Permitted principal uses in the Residence D District include:

- One-family dwelling and associated accessory buildings
- Professional or business practices within a dwelling, confined to one floor of the dwelling

Conditional uses permitted in the Residence D District include:

- Churches or houses of worship

- Parks, playgrounds and open space areas with associated improvements

Bulk regulations for the Residence D District are as follows:

- Minimum lot area – 10,000 square feet
- Minimum lot width – 100 feet
- Minimum lot depth – 100 feet
- Minimum front yard setback – 25 feet
- Minimum side yard setback – 10 feet
- Minimum rear yard setback – 30 feet
- Maximum number of families per building - 1
- Maximum building coverage – 20%
- Maximum permitted building height – 30 feet
- Maximum livable floor area – 30%
- Maximum permitted impervious coverage – 30%

Permitted principal uses in the CB-I District include:

- Uses permitted within Residence Districts
- Retail shops
- Personal service shops
- Banking, commercial, professional or governmental offices
- Laundry and/or dry-cleaning services

The ordinance does not require a minimum lot area, width, depth or front yard setback requirement for this zone. Bulk regulations for the CB-I District are as follows:

- Minimum side yard setback – 15 feet
- Minimum rear yard setback – 30 feet
- Maximum number of families per building – None
- Maximum building coverage – 50%
- Maximum permitted building height – 30 feet and 2 stories
- Maximum livable floor area – None
- Maximum permitted impervious coverage – 90%

This document has utilized the bulk standards found in the CB-1 District as a springboard in crafting the dimensional regulations for this Redevelopment Plan.

#### 4.5. PLAN RELATIONSHIP TO ZONING

This Redevelopment Plan supersedes the underlying zoning for the 23 parcels noted in this document. The vision for the Rehabilitation Area is to expand the village-style “downtown” and upgrade existing commercial buildings.

The bulk standards proposed for these 23 properties may not precisely conform to the standards prescribed in the current zoning, but have utilized the CB-I District’s bulk standards as a basis in developing the Rehabilitation Area’s bulk standards.

#### 4.6. CONCLUSION

The Downtown Redevelopment Plan as proposed is consistent with Demarest’s two master plan documents. It implements the vision to create a “downtown” with shops and facilities that serve the Borough’s residents.

## 5. RELATIONSHIP TO OTHER PLANS

This chapter of the report describes the relationship to the master plans of adjacent communities and Bergen County as well as the report's relationship to the State Development and Redevelopment Plan.

### 5.1. PLANS OF ADJACENT COMMUNITIES

There are no adjacent municipalities that abut the Rehabilitation Area. The proposed Redevelopment Plan, because of its location and limited nature, will have little to no impact on adjacent municipalities.

### 5.2. BERGEN COUNTY MASTER PLAN

The most recent Bergen County Master Plan is over 40 years old and is considered outdated. A new plan is in the process of being prepared. As part of this process a visioning component of the Master Plan was prepared in June 2011 and a document entitled "Vision Bergen" was released. This document notes that "Because Bergen is a mature county in terms of its development pattern, future growth will primarily occur through redevelopment and infill".<sup>3</sup> The proposed Redevelopment Plan is consistent with this trend.

### 5.3. NEW JERSEY STATE PLAN

The State Strategic Plan is the revision to the 2001 State Development and Redevelopment Plan. The document sets forth a vision for the future of New Jersey along with strategies to achieve that vision. The State Strategic Plan was intended to be adopted by the State Planning Commission in November 2012, but was postponed due to Super Storm Sandy. The Commission is revising the document to incorporate disaster planning goals in light of Super Storm Sandy.

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<sup>3</sup><http://togethernorthjersey.com/wp-content/uploads/2012/12/Bergen-County-Master-Plan-Visioning-Component.pdf>, page 24.

The draft final State Strategic Plan has four overarching goals along with ten "Garden State Values". This Redevelopment Plan has the ability to advance four of the ten values:

- **Prioritize redevelopment, infill and existing infrastructure** – prioritize redevelopment and the reuse of existing sites and structures.
- **Create high-quality, livable places** – create healthy places to live, work and recreate. Enhance community character and design.
- **Advance Equity** – consider the equity of property owners during planning and implementation. Improve access to opportunity, housing, jobs and schools for all New Jersey residents.
- **Diversity housing opportunities** – support construction and rehabilitation of homes that meet the needs of households of all sizes and income levels.<sup>4</sup>

<sup>4</sup>[http://nj.gov/state/planning/final-plan/final\\_spp\\_november%208-9.pdf](http://nj.gov/state/planning/final-plan/final_spp_november%208-9.pdf), pages 8-9.

## 6. REDEVELOPMENT PLAN

This chapter of the Downtown Redevelopment Plan provides the general provisions, including review process, as well as land use and design requirements for the potential development/redevelopment of the 23 parcels.

### 6.1. GENERAL PROVISIONS

#### RELOCATION

There are 15 residential units between the one- and two-family dwellings located within the Rehabilitation Area. There are also six multi-family units in mixed-use buildings. It is the intention of this Plan that the redevelopment of the Rehabilitation Area will occur over time between an agreeable buyer and seller contract. Therefore, no relocation assistance is necessitated by the Downtown Redevelopment Plan.

#### PROPERTIES TO BE ACQUIRED

This Redevelopment Plan does not propose the acquisition of any property through eminent domain. Following this document's approval, a property may be developed by its current owner or a designated redeveloper. Additionally, the Borough does not have the power of eminent domain since the area was designated an Area in Need of Rehabilitation.

#### AFFORDABLE HOUSING

Within the Rehabilitation Area there are no deed-restricted affordable housing units. Therefore, this document does not need to provide for any replacement of affordable housing units or relocation of affordable households.

## DEVIATIONS FROM REDEVELOPMENT PLAN REQUIREMENTS

The Planning Board of the Borough of Demarest may, after review of a site plan that is in one or more aspects inconsistent with the Redevelopment Plan, grant deviations from the strict application of the regulations contained in this Redevelopment Plan in accordance with the provisions for bulk variances in N.J.S.A. 40:55D-70c. Notwithstanding the above, no deviations shall be granted that would permit any of the following:

- a use or principal structure that is not otherwise permitted by this Redevelopment Plan;
- an increase in the maximum permitted floor area ratio; or
- an increase in the maximum permitted height of a principal structure by more than 10 feet or 10%, whichever is less.

## PARKING AUTHORITY

Due to the small size of many of the parcels within the Rehabilitation Area, the creation of a Parking Authority is necessary. The Borough owns Block 49.01, Lot 43.01, which can be reorganized and transformed into a public parking lot. This plan envisions that property owners who cannot locate all or a portion of their required parking on-site, would obtain parking from the Parking Authority in charge of Lot 43.01.

### 6.2. LAND USE & DEVELOPMENT REQUIREMENTS

This section of the report is divided into three categories:

- Definitions
- Use and Bulk Requirements
- Architectural Standards

#### DEFINITIONS

Adult daycare – a non-residential facility that supports the health, nutritional, social and daily living needs of adults in a professionally staffed facility. No overnight facilities are provided.

Awning – a roof-like covering of canvas or cloth that is attached to a frame, which projects from the wall of a building and is supported entirely by the building.

Building coverage – the area of a lot or site which is occupied or proposed to be occupied by a building.

Child care center - any facility which is maintained for the care, development or supervision of six or more children under six years of age who attend for less than 24 hours per day and which is licensed by the New Jersey Department of Human Services.

Community Residence - a facility licensed pursuant to P.L. 1977, c.448 (C.30:11B-1 et seq.) providing food, shelter and personal guidance under such supervision as required, to no more than 15 developmentally disabled or mentally ill persons, who require assistance, temporarily or permanently, in order to live in the community, and shall include, but not be limited to group homes, halfway houses, intermediate care facilities, supervised apartment living arrangements, and hostels. Such a residence shall not be considered a health care facility within the meaning of Health Care Facilities Planning Act, P.L. 1971, c.136 (C. 26:2H-1 et al.)

Gas station - an establishment used for the retail dispensing or sales of vehicular fuels.

Half story - a space under a sloping roof that has the line of intersection of the roof and wall face not more than 3 feet above the floor level and in which space the possible floor area with head room of 5 feet or less occupies at least 40 percent of the total floor area of the story directly beneath.

Impervious surface - any material which generally reduces or prevents absorption of stormwater into previously undeveloped land. Retention and detention basins and dry wells allowing water to percolate directly into the ground shall not be considered as "impervious surfaces."

Instructional use - uses for the teaching and practice of dance, drama, art, language, martial arts, music, aerobics, sports, fitness, photography and the like. These uses may, from time to time, hold group events, such as birthday parties.

Linear business frontage - the frontage measured in feet along a business' street-facing façade.

Logo - any symbol, shape, graphic or picture that a company uses to represent itself as a branding tool.

Lot coverage - that portion of one lot or more than one lot which is improved or is proposed to be improved with the buildings and structures, including but not limited to driveways, parking lots, pedestrian walkways, signs and other man-made improvements on the ground surface which are more impervious than the natural surface.

Medical office - the office of a licensed medical or health care practitioner providing health care services to a person for the purpose of maintaining or restoring a person's physical or mental health, including but not limited to a physician, dentist, chiropractor, podiatrist, osteopath, acupuncturist, optometrist, orthotist, occupational or speech therapist and psychologist. The term "licensed" is defined in the New Jersey Administrative Code.

Multi-family residential – a building on one lot, containing separate living units for two or more families, having separate or joint entrances, which includes apartments and condominiums.

Neighborhood retail – establishments engaged in selling goods or merchandise to the surrounding neighborhood for personal or household consumption and rendering services incidental to the sale of such goods.

Professional office – a room or group of rooms used for conducting the affairs of a business, profession, industry or government and generally furnished with desks, tables, files and communication equipment.

Restaurant – an establishment where food and drink are prepared, served and consumed primarily within the principal building.

Outdoor dining – a designated area of a restaurant, but outside the principal building, and where patrons may sit at tables while consuming food and beverages.

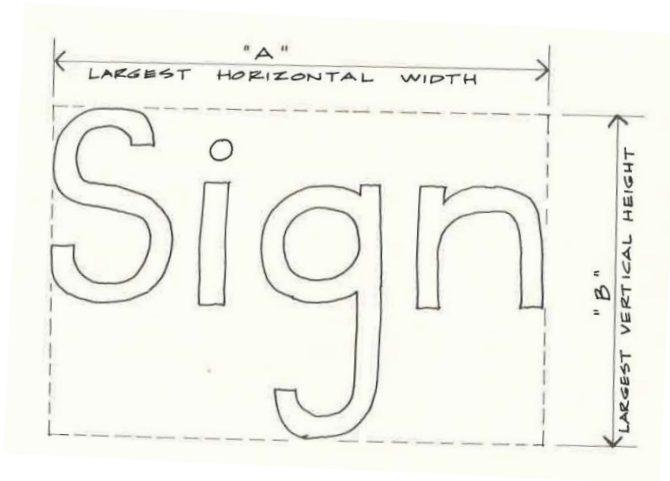
Parapet - a short vertical extension of a wall that rises above roof level, hiding the roof's edge and any roof-mounted mechanical equipment.

Personal service – establishments primarily engaged in providing services involving the care of a person or his or her personal goods or apparel. Examples include dry cleaners, salons, barber shops, travel agencies and the like.

Tavern – an establishment used primarily for the serving of liquor to the general public and where food or packaged liquors may be served or sold only as accessory to the primary use.

Sign - any object, device, display or structure, or part thereof, situated outdoors or indoors, permanent or temporary in nature, which is used to advertise, identify, display, direct or attract attention to an object, person, institution, organization, business, product, service, event or location by any means, including words, letters, figures, design, symbols, logos, fixtures, colors, illumination or projected images.

Sign area - the entire space within a single continuous perimeter enclosing the extreme limits of a sign or where a sign consists of individual letters or logos, the space bounded by the maximum horizontal and vertical dimensions of the lettering/logo. For double-sided identical signs, only one side constitutes total sign area. See example below:



Sign, Directional – On-site signage that provides direction or information to pedestrians or vehicular traffic that is related to the movement of pedestrians

and/or vehicular traffic on the premises (e.g. "entrance", "exit", "one-way", and the like).

Sign, Directory - a sign, parallel and attached to the building that contains listings of one or more commercial establishments located on the upper floors of a building that share a common entrance.

Sign, Hanging - a sign that is wholly or partly supported by a building wall and projects perpendicularly 12 or more inches from the building wall.

Sign, Street Address – a sign denoting the street address of the premises on which it is attached or located.

Sign, Wall - all flat signs of solid-face construction and/or individual letters which are placed against a building or other structure and attached to the exterior front, rear or side wall of any building or other structure, so that the display surface is parallel with the plane of the wall. Signs painted on an exterior wall shall be deemed to be wall signs subject to all applicable requirements.

Sign, Window - a window sign is any sign temporarily or permanently affixed to the glass of a window or door of a business or that is visible through a window or door and placed on a permanent basis within two (2) feet of the glass.

## USE & BULK REQUIREMENTS

### A. Principal Permitted Uses

1. Neighborhood retail.
2. Personal services.
3. Professional or medical offices.
4. Banks, which may include drive-through facilities.
5. Restaurants and taverns.
6. Instructional uses.
7. Child care center.
8. Adult daycare.
9. Municipal offices and uses.
10. Multi-family residential limited to the upper floors.
11. Single-family detached homes.

12. Community residence.
13. Two or more of the aforementioned uses in one building.

**B. Permitted Accessory Uses**

1. Open space facilities, including, but not limited to walkways, courtyards and plazas.
2. Off-street parking and loading.
3. Parking incorporated into the building design.
4. Signs.
5. Outdoor dining associated with permitted restaurants.
6. Fences and walls.

**C. Permitted Conditional Uses**

1. First floor multi-family residential, subject to the following conditions:
  - (a) A maximum of one residential unit shall be permitted on the first floor.
  - (b) The unit shall be situated in the rear half of the building.
  - (c) The unit shall be accessed from the side or rear of the building.
  - (d) The residential unit shall comprise no more than 30% of the total ground floor area.
2. Stand-alone multi-family residential, subject to the following conditions:
  - (a) Minimum lot area – 0.50 acres
  - (b) Maximum front yard setback – 15 feet
  - (c) Minimum side yard setback – 10 feet
  - (d) Minimum rear yard setback – 30 feet
  - (e) Maximum building coverage – 70%
  - (f) Maximum impervious coverage – 90%<sup>5</sup>
  - (g) Maximum permitted density– 40 units per acre.
  - (h) A minimum of 50% of the units shall be reserved for affordable households and meet the requirements of Section L. below.
  - (i) Surface parking may be located under the building or on the ground floor of the building. If parking is located on the

ground floor of the building, it shall be screened from public view in accordance with Section F.6(a).

**D. Prohibited Uses**

1. Any use not specifically permitted shall be prohibited.
2. Automobile repair stations.
3. Gas stations.
4. New or used car lots.
5. Tattoo parlors.
6. Adult uses.
7. Drive-through facilities associated with retail or restaurant uses.

**E. Area and Bulk Regulations**

1. Minimum lot area – 3,500 square feet
2. Minimum front yard setback – 0 feet
3. Maximum front yard setback – 10 feet
4. Minimum side yard setback (commercial or mixed-use) – 0 feet<sup>6</sup>
5. Minimum side yard setback (residential only) – 10 feet
6. Minimum rear yard setback – 30 feet
7. Maximum building coverage – 60%
8. Maximum impervious coverage – 90%, but for lots containing more than 20,000 square feet, 85%
9. Maximum Density
  - (a) Lots containing less than 12,000 square feet – 25 units per acre
  - (b) Lots between 12,000 and 20,000 square feet – 30 units per acre
  - (c) Lots containing more than 20,000 square feet – 35 units per acre
10. Maximum Height - 3 stories and 35 feet

**F. Off-Street Parking**

1. General Provisions
  - (a) All parking spaces shall measure no less than nine (9) feet in width by eighteen (18) feet in length and be delineated by hairpin striping.

<sup>5</sup> Parcels containing more than 30,000 square feet shall have a maximum impervious coverage of 80%.

<sup>6</sup> However, a setback of 10 feet shall be required along the boundary of a Residence B or D District.

- (b) All lighting for off-street parking areas shall be so arranged and shielded as to reflect the light downward and prevent any light from shining directly on adjoining streets, residential zones and residential buildings.
  - (c) Parking lot lighting shall provide a maintained minimum average of 0.5 footcandles.
2. Parking Ratios. The following off-street parking shall be provided:
- (a) Neighborhood retail uses - 1 space per 350 square feet of gross floor area
  - (b) Personal service uses - 1 space per 200 square feet of gross floor area
  - (c) Medical and dental office - 1 space per 142 square feet of gross floor area
  - (d) Office uses other than medical and dental - 1 space per 250 square feet of gross floor area
  - (e) Banks – 1 space per 400 square feet of gross floor area
  - (f) Restaurants and taverns - 1 space per 3 seats and 1 space per 2 employees during the peak shift
  - (g) Instructional uses – 1 space for each 120 square feet of public area for uses with less than 5,000 square feet of public area. For uses with 5,000 or more square feet of public area, the parking requirement shall be determined based maximum fire occupancy
  - (h) Child care center and adult daycare – 1 space per 300 square feet of gross floor area
  - (i) Residential units - RSIS
3. Shared parking. Nothing in the above requirements or in this sub-section shall be construed to prevent the employment of shared parking, which may be implemented in one of two manners:
- (a) On-site shared parking. For parcels containing a mixed-use building, on-site shared parking may be implemented.
    - (1) A 50% shared parking allowance shall be permitted for combining weekday uses with evening/weekend uses in the same building. Office and retail uses are considered to be weekday uses, while residential and restaurant uses are considered to be evening/weekend uses.
    - (2) 50% of the parking requirement of the evening/weekend use of the building may be met through parking already provided for the weekday use. For example, a building

- contains office space that requires 30 parking spaces and residential units that require 16 parking spaces. The residential parking is permitted to be reduced by 50% or 8 parking spaces. Therefore, the development would only be required to construct 38 parking spaces instead of 46.
- (b) Off-site shared parking. For parcels that cannot accommodate all or a portion of their required parking spaces, the differential parking requirement is exempted if there is a Borough-owned public parking lot within the Rehabilitation Area and the property owner contributes \$2,000 per space per year to a fund dedicated by the Borough for the purpose of constructing and maintaining public parking facilities.
4. Access. Interconnected parking lots and cross-access easements for adjacent lots are encouraged.
5. Location
- (a) Off-street parking shall be provided in the side or rear yard.
  - (b) Off-street parking may be located under the building on the ground floor.
6. Screening
- (a) Off-street parking that is located under the building or on the ground floor shall be designed in such a manner to be screened from public view or from adjacent residential uses by use of the building or landscaping. If landscaping is utilized, it shall consist of a 10-foot-wide buffer with two rows of staggered evergreen shrubs, which are a minimum of 6 feet high.
  - (b) Surface off-street parking shall be screened from public view by installing evergreen shrubs, which are a minimum of 3 feet high.
  - (c) Surface off-street parking shall be screened from any existing residential uses by:
    - (1) A six-foot-tall solid fence, or
    - (2) A landscape buffer 10 feet wide with two rows of staggered deciduous shrubs, which are a minimum of 6 feet high. Said buffer shall effectively form a screen.
7. Landscaping
- (a) Within surface parking lots 1 landscape island shall be provided for every 15 parking spaces.
  - (b) Said landscape island shall contain a minimum of 160 square feet.

- (c) Half of the landscape islands shall contain a shade trees and other landscaping; the other half shall contain shrubs.

**G. Loading**

- 1. Facilities for loading shall be provided on the property in other than the front yard. Each parcel shall demonstrate the adequacy of the proposed loading area(s) to meet the requirements of the proposed use. Alternatively, if no loading area is proposed, the applicant/owner shall provide testimony and/or proof to the Planning Board that the use can function without a dedicated loading area.
- 2. Loading areas shall be buffered from existing residential uses by:
  - (a) A six-foot-tall solid fence, or
  - (b) A landscape buffer 10 feet wide with two rows of staggered deciduous shrubs, which are a minimum of 6 feet high. Said buffer shall effectively form a screen.

**H. Pedestrian Accessibility**

- 1. Sidewalks shall be provided to connect all new development with existing development along the public rights-of-way.
- 2. All sidewalks shall be a minimum of 4 feet wide and shall be durably paved and smoothly surfaced to provide for the free movement of pedestrians.
- 3. All sidewalks must be designed to provide access for the physically disabled. Access ramps shall be conveniently placed and sloped to provide easy connection to streets and sidewalks, in conformance with the Americans with Disabilities Act.
- 4. The Borough is encouraged to utilize Block 23, Lot 23 to create a pedestrian pathway that would parallel Hardenburgh Avenue and link the two ends of the Rehabilitation Area.

**I. Trash**

- 1. Trash receptacles shall be located in the rear yard and shall be enclosed with a solid fence. No trash receptacle shall be visible from any public street.
- 2. Such facilities shall be designed so that they fit within an overall project design.

- 3. Provisions for the collection, disposition and recycling of recyclable materials shall be subject to any other applicable ordinances of the Borough of Demarest
- 4. Trash may be alternatively stored inside the building.

**J. Stormwater.** All applications for development shall conform to the stormwater regulations contained in the Borough of Demarest's code.

**K. Signage.** The following standards shall apply to all signs in the Rehabilitation Area. No sign type other than those identified below shall be permitted.

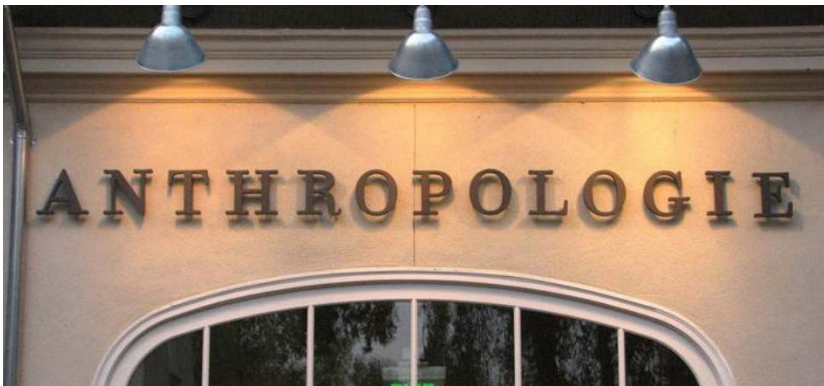
- 1. Wall signage
  - (a) One wall sign shall be permitted per ground floor business per public street frontage.
  - (b) The following types of wall signs shall be permitted:
    - (1) Back-lit raised letters with concealed ballast. Example below.



- (2) Signage board with or without gooseneck lighting. Example on following page.



(3) Individual cut letters with gooseneck lighting. Example below.



- (c) The maximum sign area shall be 95% of the linear business frontage, with a maximum area of 30 square feet. For example, if the linear business frontage is 20 feet, the maximum sign area shall be 19 square feet.
  - (d) The horizontal dimension of the sign shall not exceed 80% of the width of the building frontage occupied by the use.
  - (e) Wall signs shall not be permitted above the roofline or the bottom of any second-floor windows, whichever is lower.
2. Street address signage

- (a) Street address signage shall be provided on each building or for each individual tenant.
  - (b) Street address number shall have a maximum height of 8 inches.
3. Hanging signage
- (a) One hanging sign shall be permitted for each business on the first floor of a commercial building.
  - (b) The maximum sign area shall be 6 square feet.
  - (c) The lower edge of a hanging sign shall be at least 8 feet above the sidewalk or grade.
  - (d) Hanging signs may be externally illuminated, but are prohibited from being internally illuminated.
4. Directory signage
- (a) Where a building has upper story non-residential uses, 1 directory sign shall be permitted per entrance to said upper story establishments
  - (b) The maximum sign area shall be 4 square feet.
  - (c) Directory signage shall be located next to the exterior entrance to the upper story establishment(s). The top edge of the sign shall be no higher than 7 feet above the sidewalk or grade.
5. Directional signage
- (a) Directional signage shall be permitted at driveways that abut public streets.
  - (b) The maximum sign area shall be 3 square feet.
  - (c) The maximum sign height shall be 3 feet from grade.
  - (d) Directional signage may be internally illuminated.
6. Temporary window signage advertising special sales or events shall be permitted, subject to the following limitations:
- (a) One or more temporary window signs may be displayed at the same time.
  - (b) Temporary window signs shall not cover more than 25% of the glass surface.
  - (c) Temporary window signs shall not be displayed for a period longer than 20 days.
7. Temporary grand opening signs, subject to the following limitations:
- (a) One temporary grand opening or coming soon sign may be displayed for the grand opening of a business, relocation of a business or to announce the approaching arrival of a new business.

- (b) Said sign shall not exceed a maximum of 20 square feet.
  - (c) Said sign shall be located within the window of the commercial establishment or on the exterior of the building no higher than the roofline.
  - (d) A temporary grand opening sign shall not be displayed for a period longer than 45 days.
8. Temporary real estate signage
- (a) For each parcel, 1 temporary real estate sign for each street frontage may be displayed.
  - (b) Temporary real estate signs shall be removed within 7 days following the closing or settlement of a sale, lease or rental of the real estate that was offered for sale, lease or rent.

**L. Affordable Housing Standards**

- 1. Any application within the Rehabilitation Area providing for five or more residential units shall be required to provide affordable housing. The following affordable housing set-asides shall be provided:
  - (a) 20% for for-sale units
  - (b) 15% for rental units
- 2. Affordable housing units shall meet the bedroom distribution requirements contained in the Uniform Housing Affordability Controls.
- 3. The units shall meet the low/moderate income distribution requirement contained in the Uniform Housing Affordability Controls. At least 13% of the units shall be reserved for very-low-income units.
- 4. All units shall be deed restricted for a minimum of 30 years.
- 5. The developer shall be responsible for retaining a qualified Administrative Agent to administer the units, subject to the Borough's approval.
- 6. Non-residential development shall be subject to the State-wide Non-Residential Development Fee Act.

**ARCHITECTURAL DESIGN STANDARDS**

**M. Purpose**

- 1. The purpose of the architecture design standards is to establish a set of principles and requirements to guide future redevelopment. These principles will enhance the Rehabilitation Area and encourage redevelopment at a scale that is pedestrian-oriented. The guidelines work to provide standards that allow for flexibility and creativity while encouraging high-quality development. High-quality development is long-lasting and will increase property values. The goal is to create buildings that are attractive and enliven the streetscape.

**N. Massing**

- 1. Building wall offsets, including both projections and recesses, shall be provided along any street-facing building wall measuring greater than 50 feet in length in order to provide architectural interest and variety to the massing of a building and relieve the negative visual effect of a single, long wall.
- 2. The maximum spacing between such vertical offsets shall be 36 feet. The minimum projection or depth of any individual vertical offset shall not be less than 8 inches.
- 3. Vertical offsets can include pilasters, projecting bays, changes in façade materials and balconies.

**O. Articulation**

- 1. All street-facing building walls shall have a clearly defined base, body and cap.
- 2. The base of the building shall align with either the kickplate or sill level of the first story.
- 3. The body section of a building may be horizontally divided at floor, lintel or sill levels with belt courses.
- 4. The architectural treatment of a façade shall be completely continued around all street facing façades of a building. All sides of a building shall be architecturally designed to be consistent regarding style, materials, colors and details.

**P. Roof**

1. The maximum building height shall be as stated in E.10 above, except that this specified height shall not apply to church steeples and chimneys. The height of elevator shafts, ventilators, air conditioning and any other apparatus which may be carried on the roof level shall be screened and shall be no higher than 5 feet above the permitted height. Said roof-top equipment shall not be visible from surrounding properties or streets.
2. The shape, pitch and color of a roof shall be architecturally compatible with the style, materials and colors of such building.
3. If the building has a flat roof, a parapet shall project vertically to hide any roof-mounted mechanical equipment. Additionally, a cornice shall project out horizontally from the façade and shall be ornamented with moldings, brackets or other details.
4. Pitched roofs are encouraged to have dormers, chimneys, cupolas and other similar elements to provide architectural interest. These elements shall be compatible with the style, materials, colors and details of the building.
5. Roofline offsets shall be provided along any gable roof measuring more than 40 feet in length to provide architectural interest and articulation to a building.
6. Roof top heating, ventilating and air-conditioning (HVAC) systems, exhaust pipes and stacks, satellite dishes and other telecommunications receiving devices shall be screened or otherwise specially treated to be inconspicuous as viewed from the street and adjacent properties.

**Q. Transparency**

1. Ground floor non-residential uses in the Rehabilitation Area shall have large pane display windows. Such windows shall be framed by the surrounding wall and shall be a minimum of 70% of the total ground level facade area. A building's "ground level facade area" is the area bounded by the side edges of the building and the plane coincident with the internal floor of the building and the internal ceiling of the building.
2. Transoms above display windows in the Rehabilitation Area are encouraged.

3. Windowsills shall not be more than 3 feet above the sidewalk in the Rehabilitation Area. Base panels or bulkheads are encouraged between the sidewalk and the windowsills.
4. Windows shall be vertically proportioned (taller than wider) where possible.
5. Buildings of architectural styles that normally have windows with muntins (vertical dividers) or divided lights shall utilize those types of windows.
6. Glass blocks are not permitted on façades that abut a public street.
7. Exterior security grates are prohibited.

**R. Entrances**

1. All entrances to a building shall be defined and articulated by utilizing such elements as lintels, pediments, pilasters, columns, porticos, porches, overhangs, railings, balustrades and other such elements, where appropriate.

**S. Materials**

1. Building façades visible from a public street shall consist of durable, long-lasting materials.
2. Appropriate materials include brick, stone, cast stone, Hardieplank or other high-quality material.

## 7. RELATIONSHIP TO ZONING

### 7.1. ZONING PROVISIONS

#### EFFECT OF PLAN

The Downtown Redevelopment Plan supersedes the existing zoning for all 23 tax parcels and the applicable provisions of the Borough of Demarest's Land Use Ordinance as provided in Chapter VI above.

#### TERMS & DEFINITIONS

Any terms or definitions not addressed within this Redevelopment Plan shall rely on the applicable terms and conditions set forth in Chapter 175, Zoning Ordinance.

#### OTHER APPLICABLE DESIGN & PERFORMANCE STANDARDS

Any design or performance standards not addressed within this Redevelopment Plan shall rely on the applicable design and performance standards set forth in Chapter 175, Zoning Ordinance.

#### CONFLICT

If any word, phrase, clause, section or provision of this plan, is found by a court or other jurisdiction to be invalid, illegal or unconstitutional; such word, phrase, section or provision shall be deemed severable and the remainder of the Redevelopment Plan shall remain in full force and effect.

### 7.2. ZONING MAP REVISION

This Redevelopment Plan supersedes the underlying zoning, which requires the Official Zoning Map to be amended for all 23 tax parcels. The Zoning Map is hereby amended to illustrate the following block and lots as the "Downtown Redevelopment Plan" or "DRP" District:

- Block 23, Lot 9
- Block 23, Lot 10
- Block 23, Lot 12
- Block 23, Lots 13 & 14
- Block 23, Lot 15
- Block 23, Lot 16
- Block 23, Lot 17.01
- Block 23, Lots 17.02, 19, 20 & 23
- Block 23, Lot 21
- Block 46, Lot 664
- Block 46, Lot 760
- Block 46, Lot 764
- Block 49, Lot 39.01
- Block 49, Lot 40.01 & 41.02
- Block 49, Lot 41.01
- Block 49, Lot 50
- Block 49, Lot 51
- Block 49, Lot 52
- Block 49.01, Lot 43.01
- Block 49.01, Lot 43.02
- Block 49.01, Lot 44
- Block 49.01, Lot 45
- Block 49.01, Lot 47.02

## 8. AMENDMENTS & DURATION

### 8.1. AMENDMENTS TO THE REDEVELOPMENT PLAN

This plan may be amended from time to time in accordance with the procedures of the LRHL. To the extent that any such amendment materially affects the terms and conditions of duly executed redevelopment agreements between one or more redevelopers and the Borough of Demarest, the provisions of the redevelopment plan amendment will be contingent upon the amendment of the redeveloper agreement to provide for the plan amendment.

### 8.2. RECOMMENDATIONS FOR REDEVELOPMENT AGREEMENT PROVISIONS

While this Redevelopment Plan provides an outline for the rehabilitation and redevelopment of the designated Rehabilitation Area, the details of how the redevelopment will be implemented will need to be specified in a redevelopment agreement that is negotiated between the Borough and the redeveloper(s). No development shall proceed to the Demarest Planning Board for subdivision or site plan approval until after a redevelopment agreement is executed by the Borough of Demarest in accordance with Section 9 of the LRHL. The redevelopment agreement shall conform to the provisions of this Redevelopment Plan. The only exception to this would be an application related to a single or two-family home.

### 8.3. CERTIFICATES OF COMPLETION & COMPLIANCE

Upon the inspection and verification by the Mayor and Council that the redevelopment of a parcel subject to a redeveloper agreement has been completed, a Certificate of Completion and Compliance will be issued to the redeveloper and such parcel will be deemed no longer in need of rehabilitation.

This Redevelopment Plan will remain in effect until Certificates of Completion have been issued for the designated parcels, or until the Redevelopment Plan is deemed no longer necessary for the public interest and repealed by Ordinance of the Mayor and Council.

### 8.4. SEVERABILITY

The provisions of this Redevelopment Plan are subject to approval by Ordinance. If a Court of competent jurisdiction finds any word, phrase, clause, section or provision of this Redevelopment Plan to be invalid, illegal or unconstitutional; the word, phrase, clause, section or provision shall be deemed severable and the remainder of the Redevelopment Plan and implementing Ordinance shall remain in full force and effect.

### 8.5. SELECTION OF REDEVELOPER(S)

In order to assure that the vision of the Downtown Redevelopment Plan will be successfully implemented in an effective and timely way and in order to promptly achieve the goals of the Plan, the Mayor and Council, acting as the Redevelopment Entity, will designate the redeveloper(s) for any redevelopment project in the area governed by this Redevelopment Plan. All redeveloper(s) will be required to execute a redevelopment agreement satisfactory to the Mayor and Council as one of the requirements to be designated as the redeveloper(s).

It is anticipated that the implementation of this Redevelopment Plan may utilize a process for the competitive selection of one or more redeveloper(s). The intent of this section of the Redevelopment Plan is to set forth the procedural standards to guide redeveloper selection. The Mayor and Council, acting as the Redevelopment Entity may, at any time, proactively solicit potential redevelopers by utilizing appropriate methods of advertisement and other forms of communication, or may, in its discretion, entertain an unsolicited proposal from a prospective redeveloper(s) for redevelopment of the Rehabilitation Area.

The selection of a redeveloper by the Mayor and Council, acting as the Borough of Demarest's Redevelopment Entity for the Rehabilitation Area, may be based on a competitive selection process. Under a competitive selection process, which may be undertaken from time to time at the discretion of the Mayor and Council, an applicant for selection as a redeveloper will be required to submit materials to the Mayor and Council that specify their qualifications, financial resources, experience and design approach to the property in question. The competitive selection process will likely include the submission of some or all of the following materials (additional submission

materials may be requested by the Mayor and Council as deemed appropriate to the lands in question):

- Conceptual plans and elevations sufficient in scope to demonstrate that the design approach, architectural concepts, number and type of development, parking, traffic circulation, landscaping and other elements are consistent with the objectives and standards of this Redevelopment Plan.
- Anticipated construction schedule, including estimated pre-construction time period to secure permits and approvals.
- Documentation evidencing the financial responsibility and capability with respect to carrying out any necessary site environmental remediation, the proposed redevelopment and/or rehabilitation including but not limited to: type of company or partnership, disclosure of ownership interest, list of comparable projects successfully completed, list of references with name, address and phone information, list of any general or limited partners, and financial profile of the redeveloper entity.

The following provisions regarding redevelopment are hereby included in connection with the implementation of this Redevelopment Plan and the selection of a redeveloper(s) for any property included in the Redevelopment Plan and shall apply notwithstanding the provisions of any zoning or building ordinance or other regulations to the contrary:

1. The redeveloper, its successor or assigns shall develop the property in accordance with the uses and building requirements specified in the Redevelopment Plan.
2. Until the required improvements are completed and a Certificate of Completion is issued by the Redevelopment Entity, the redeveloper covenants provided for in N.J.S.A. 40A:12A-9 and imposed in any redeveloper agreement, lease, deed or other instrument shall remain in full force and effect.
3. The redevelopment agreement(s) shall contain provisions to assure the timely construction of the redevelopment project, the qualifications,

financial capability and financial guarantees of the redeveloper(s) and any other provisions to assure the successful completion of the project.

4. The designated redeveloper(s) shall be responsible for any installation or upgrade of infrastructure related to their project whether on-site or off-site. Infrastructure items include, but are not limited to gas, electric, water, sanitary and storm sewers, telecommunications, recreation or open space, streets, curbs, sidewalks, street lighting and street trees or other improvements. The extent of the designated redeveloper's responsibility will be outlined in the redeveloper's agreements with the Borough. All utilities shall be placed underground.
5. All infrastructure improvements shall comply with applicable local, state and federal law and regulations, including the Americans with Disabilities Act and the Prevailing Wage Law, where applicable.
6. In addition to the provision of the infrastructure items set forth herein, the Redevelopment Agreement may provide that the redeveloper(s) will agree to provide amenities, benefits, fees and payments in addition to those authorized under the Municipal Land Use Law.

**ORDINANCE NO. 1075-20**

**ORDINANCE OF THE BOROUGH OF DEMAREST  
ADOPTING THE AMENDED REDEVELOPMENT PLAN PRODUCED BY MASER  
CONSULTING ON BEHALF OF THE BOROUGH OF DEMAREST**

**WHEREAS**, the Borough of Demarest (hereinafter 'the Borough') filed a complaint for declaratory and injunctive relief seeking a judgment of compliance and repose on July 8, 2015 under Docket number BER-L-6301-15 (hereinafter the 'Litigation'); and

**WHEREAS**, the Borough of Demarest agreed to settle the said Litigation with all parties through a negotiated Settlement Agreement (hereinafter the 'Agreement') on December 27, 2017, executed by the Borough on January 27, 2018; and

**WHEREAS**, as part of the Agreement, in Section 12c, the Borough agreed to adopt a Redevelopment Plan for the Downtown Area previously designated an Area in Need of Rehabilitation as that term is defined by statute; and

**WHEREAS**, the Council by resolution dated July 24, 2017, designated the following tax lots as an area in need of rehabilitation: Block 23, Lots 9, 10, 12, 13, 14, 15, 16, 17.01, 17.02, 19, 20, 21 and 23, Block 46, Lots 39.01, 40.01, 41.02, 41.01, 50, 51, 52, 664, 760 and 764, Block 49.01, Lots 43.01, 43.02, 44, 45 and 47.02, and

**WHEREAS**, the Borough Council authorized Maser Consulting to prepare a Redevelopment Plan for the Rehabilitation Area; and

**WHEREAS**, Maser Consulting developed and delivered a Redevelopment Plan for the aforementioned area dated September 12, 2019, and

**WHEREAS**, said plan was adopted by the Borough Council, after a public hearing, on December 16, 2019; and

**WHEREAS**, having reconsidered the Redevelopment Plan, the Borough Council has concluded that the Redevelopment Plan requires revisions and amendments to conform to the agreed upon terms of the Settlement Agreement, and

**WHEREAS**, a revised and amended Downtown Redevelopment Plan dated January 10, 2020, has been drafted and submitted by Maser Consulting, PA

**WHEREAS**, the revised Redevelopment Plan conforms to the Borough's Master Plan and Housing Element Fair Share Plan, which has been previously adopted and will

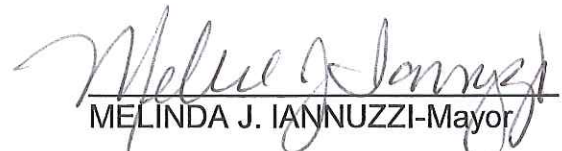
provide realistic opportunity for the construction of affordable unrestricted family dwellings units in the above referenced area.

**NOW THEREFORE BE IT ORDAINED** by the Mayor and Borough Council of the Borough of Demarest, Bergen County, State of New Jersey, hereby adopt the revised and amended Redevelopment Plan dated January 10, 2020, prepared by Maser Consulting on behalf of the Borough; and

**BE IT FURTHER ORDAINED**, that a copy of this Ordinance, and the Redevelopment Plan, shall be served upon the Planning Board of the Borough of Demarest for review and comment after introduction on first reading hereof; and

**BE IT FURTHER ORDAINED**, that upon adoption, this Ordinance, and the Redevelopment Plan shall be served upon the Commissioner of Community Affairs.

BOROUGH OF DEMAREST

  
MELINDA J. IANNUZZI-Mayor

ATTEST:

  
Susan Crosman, RMC-Borough Clerk

Introduced: January 27, 2020  
Adopted: February 24, 2020

\* \* \* \* \*

Moved by: Mrs. Fox  
Second by: Mr. Carroll

	Aye	Nay	Abstain / Absent
Carroll:	✓		
Connelly:	✓		
Fox:	✓		
Hamilton:	✓		
LaPira:	✓		
Kurys:			✓

Appendix J.

Accessory Apartment Ordinance

ORDINANCE 1069-19

BOROUGH OF DEMAREST  
BERGEN COUNTY, NEW JERSEY

AN ORDINANCE AMENDING CHAPTER 175 "ZONING", ARTICLE IV "RESIDENCE DISTRICTS", SUB-SECTION 11 "AFFORDABLE ACCESSORY APARTMENTS" OF THE BOROUGH OF DEMAREST

WHEREAS, it is in the public's interest to increase the number of affordable units within the Borough of Demarest;

WHEREAS, the Borough of Demarest Municipal Planner Maser Consulting in consultation with special Mount Laurel counsel recommend to the Mayor and Council the following amendments to the municipality's Affordable Accessory Apartment Ordinance;

WHEREAS, the Municipal Planner and Special Counsel have prepared and/or reviewed the proposed Ordinance and are of the opinion that the municipality should adopt the Ordinance as presented;

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

**Section I: Chapter 175 "Zoning", Article IV "Residence Districts", Sub-Section 11 "Affordable Accessory Apartments"** .A. through G. are deleted in their entirety and replaced with the following:

- A. Where permitted.
- (1) Notwithstanding any provision of this Borough of Demarest Zoning Chapter to the contrary, affordable accessory apartments shall be permitted on a lot within the A, BB, B, C or D zoning districts which meets the following requirements:
- (a) The lot must fully conform to the minimum lot dimensions specified for the subject zoning district in the schedule entitled Limiting Schedule, District, as referenced within and attached to Article VI of this chapter;
- (b) The lot must have a single-family detached dwelling situated thereon.
- B. Definition. For the purpose of this section, the definition of an "affordable accessory apartment" shall be as follows:
- (1) An affordable accessory apartment shall be a self-contained residential dwelling unit with a kitchen, sanitary facilities, sleeping quarters and a private entrance which is created to be occupied by a low- or moderate-income household in accordance with the applicable provisions of the substantive rules at N.J.A.C. 5:93-1 et seq. The affordable accessory apartment may be created within an existing dwelling unit,

may be created within an existing structure on the lot or may be an addition to an existing home or accessory building.

C. Requirements. All affordable accessory apartments shall meet the following requirements, although the Planning Board shall have the right to grant exceptions to one or more of the requirements for good cause shown by the applicant:

- (1) The minimum yard dimensions specified for the subject zoning district in the schedule entitled "Limiting Schedule, District," as referenced within and attached to Article VI of this chapter, shall be adhered to, provided that any existing yard dimension that is less than a minimum required dimension shall be permitted to remain, but shall not be made less by providing the affordable accessory apartment.
- (2) All affordable accessory apartments shall comply with all applicable statutes and regulations of the State of New Jersey, including all applicable building codes.
- (3) The affordable accessory apartment shall be affirmatively marketed to low and moderate income households throughout the Borough's Housing Region and shall be rented only to a household which is either a low or a moderate income household at the time of occupancy of the unit.
- (4) The affordable accessory apartment shall, for a period of at least 10 years from the date of the issuance of a certificate of occupancy, be rented only to low or moderate income households.
- (5) Rents of affordable accessory apartments shall be affordable to low or moderate income households in accordance with the applicable provisions at N.J.A.C. 5:93-7.4, and shall specifically include an allowance for utilities in accordance with N.J.A.C. 5:93-7.4 (h).
- (6) There shall be a recorded deed or declaration of covenants and restrictions applied to the property upon which the affordable accessory apartment is located running with the land and limiting its subsequent rental to the requirements of § 175-11C(4) and (5) hereinabove.
- (7) Each affordable accessory apartment shall have living/sleeping space, cooking facilities, a kitchen sink and complete sanitary facilities for the exclusive use of its occupants. It shall consist of no less than two rooms, one of which shall be a full bathroom.
- (8) The affordable accessory apartment shall have a separate door with direct access to the outdoors.
- (9) The affordable accessory apartments shall be affirmatively marketed to households within the Northeast Housing Region consisting of Bergen, Hudson, Passaic and

Sussex Counties, in accordance with the substantive rules and the affirmative marketing plan provisions in § 175-11F of this section hereinbelow.

- (10) In the case of an existing accessory apartment previously created illegally on the subject property, the owner is entitled to legitimize the accessory apartment as an affordable accessory apartment under the terms of this section, provided that all of the requirements of this and all related affordable criteria shall apply, and except that no subsidy need be provided by the Borough of Demarest.

D. Administration of the affordable accessory apartment program. The Borough of Demarest's designated Administrative Agent shall administer the affordable accessory apartment program in accordance with the following:

- (1) The administrative entity shall administer the affordable accessory apartment program, including advertising, income qualifying prospective renters, setting rents and annual rental increases, maintaining a waiting list, distributing the subsidy, securing certificates of occupancy, qualifying properties, handling application forms, filing deed restrictions and monitoring reports, and affirmatively marketing the affordable accessory apartment program.
- (2) The administrative entity shall only deny an application for an accessory apartment if the project is not in conformance with any and all affordable housing requirements and/or the provisions of this section. All denials shall be in writing with the reasons clearly stated.
- (3) The Borough of Demarest shall provide \$20,000 per unit to subsidize the physical creation of the first 10 affordable accessory apartments. The program shall be funded by the Borough's existing Affordable Housing Trust Fund.
- (4) Prior to the grant of such subsidy to a property owner, the property owner shall enter into a written agreement with the Borough of Demarest insuring that the apartment shall meet the requirements of this section.

E. Application procedures. Each application for the creation of an affordable accessory apartment shall submit the following information to the administrative entity:

- (1) A sketch of floor plan(s) showing the location, size and relationship of both the affordable accessory apartment and the primary dwelling within the building or in another structure;
- (2) Rough elevations showing the modification of any exterior building façade to which changes are proposed; and
- (3) A site development sketch showing the location of the existing dwelling and other existing buildings; all property lines; proposed addition, if any, along with the

minimum required building setback lines; the required parking spaces for both dwelling units; and any natural or man-made conditions which might affect construction.

- F. Affirmative marketing. The administrative entity shall be responsible to prepare and execute an affordable accessory apartment affirmative marketing plan consistent with the Borough's adopted Affirmative Marketing Plan.

Section 2. Severability

If any section, subsection, paragraph, sentence or other part of this Ordinance is adjudged unconstitutional or invalid, such judgement shall not affect or invalidate the remainder of the Ordinance, but shall be confined in its effect to this section, subsection, paragraph sentence or other part of this Ordinance directly involved in the controversy with respect to which said judgement shall have been rendered, and all other provisions of this Ordinance shall remain in full force and effect.

Section 3. 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 4. Effective Date.

This Ordinance shall take effect immediately upon final adoption and publication in the manner prescribed by law, and its provisions shall apply to all building permits applied for on or after the date of adoption and publication hereof as prescribed by law.

BOROUGH OF DEMAREST

By:   
Melinda Iannuzzi, Mayor

ATTEST:

  
Susan Crosman, RMC, Borough Clerk

Introduced: July 29, 2019

Adopted: August 26, 2019

Appendix K.  
Sylco Ordinance

ORDINANCE # 1080-20

BOROUGH OF DEMAREST  
BERGEN COUNTY, NEW JERSEY

AN ORDINANCE AMENDING AND SUPPLEMENTING CHAPTER 175 "ZONING", ARTICLE IV "RESIDENCE DISTRICTS", SO AS TO CREATE A NEW SECTION 12.1 ENTITLED "RESIDENTIAL MULTI-FAMILY-2 OVERLAY DISTRICT"

**WHEREAS**, the Borough of Demarest has a constitutional obligation to create a realistic opportunity for the construction of its fair share of the region's need for affordable housing; and

**WHEREAS**, the Borough voluntarily brought a timely declaratory judgment action pursuant to the procedures set forth by the Supreme Court in *In Re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (2015)* ("*Mt. Laurel IV*") seeking approval of a Housing Element and Fair Share Plan that satisfied the Borough's obligation to provide for its fair share of the regional need of low and moderate income housing; and

**WHEREAS**, Sylco Investments 6, 8, 9, and 10, LLC, were granted intervention on September 27, 2019 in the Borough's pending declaratory judgment action, and also filed a separate builder's remedy lawsuit which was consolidated by the Court with the Borough's pending declaratory judgment action; and

**WHEREAS**, the Borough and Sylco Investments 6, 8, 9, and 10, LLC mediated and arrived at an ultimate settlement agreement; and

**WHEREAS**, the Borough Council has determined that certain lands commonly referred to as the Frick Estate and designated as Block 119, Lots 1.05, 1.06, and 1.07 (which were to have been changed to Block 119, Lot 1.51) and Block 120, Lots 1.03 and 1.04 (which were to have been changed to Block 120, Lots 1.31, 1.32, 1.41 and 1.42 on the Tax Assessment maps of the Borough of Demarest) which Lots are currently within the RA Zone and are suited for rezoning to permit all uses currently permitted in the Residential A Zone and to permit a townhouse development with a mandatory payment-in-lieu for affordable housing.

**NOW, THEREFORE, BE IT ORDAINED**, by the Mayor and Council of the Borough of Demarest, County of Bergen, State of New Jersey, that the following amendments be made to the Municipal Code of the Borough of Demarest:

**Section 1:** Demarest Borough Code Chapter 175 "Zoning", Article II "Establishment of Districts", subsection 2 "Districts Enumerated" be amended to add the following underlined language:

§175-2 Districts enumerated.

R-MF-2 Residential Multi-family-2 Overlay District

**Section 2:** Demarest Borough Code Chapter 175 "Zoning", Article IV "Residence Districts", be amended to include new subsection 12.1 with the following underlined language:

§175-12.1 Residential Multi-family-2 Overlay District.

A. Permitted principal uses:

(1) All uses permitted in the Residential A Zone

(2) Townhouses

B. Permitted accessory uses:

(1) Recreation Centers for the condominium development, lounges, game rooms, private recreational facilities and similar uses serving condominium developments.

(2) Community pool

(3) Off-street parking

(4) Fences and walls

(5) Signs

(6) Trash enclosures

(7) Landscaping and buffering

(8) Public or private open space facilities

(9) Gazebo to be centrally located containing mailboxes for the condo unit owners.

C. Bulk standards:

(1) Minimum tract area – Eighteen (18) acres which shall include any acreage for which an environmental easement has been granted to the New Jersey Department of Environmental Protection.

(2) Minimum tract setback, excluding access roads and utilities – Twenty-five (25) feet, except for patios and decks, which patios and decks may be set back twenty (20) feet from any property line, and further excepting accessory buildings and accessory uses abutting Block 120, Lot 16.02 (Alpine Country Club) which accessory buildings or accessory uses may be set back five (5) feet from the property line at such locations.

(3) Minimum distance between buildings:

(a) Eighteen (18) feet between principal buildings.

(b) Accessory buildings may be ten (10) feet from other accessory buildings or principal buildings.

(4) Maximum building length – Two hundred (200) feet excluding eaves, gutters, and covered porches

(5) Maximum building coverage – ten percent (10%)

(6) Maximum impervious coverage – fifteen percent (15%)

(7) Maximum density – twenty-four (24) units for the entire tract.

(8) Maximum building height – Two and a half (2.5) stories and thirty-seven (37) feet, which is measured for each individual unit from the average finished grade to the peak. Average finished grade shall be calculated by taking proposed finished grades at ten-foot intervals along each exterior wall of each individual unit at the foundation line.

D. Architectural Standards

(1) Buildings shall be constructed of brick, stone, cast stone, hardie plank siding, or other high-quality material.

(2) Buildings shall be designed to avoid long monotonous, uninterrupted walls or roof lines. Wall offsets shall be used to provide architectural interest and variety and relieve the visual effect of a simple, long wall. Said offsets include projections from the building, such as balconies, canopies, porches, and decks.

(a) The maximum spacing between wall offsets shall be twenty five (25) feet.

(b) The minimum projection or depth of any offset shall be at least one (1) foot.

(3) Roofline offsets, which include dormers and gables, shall be provided to provide architectural interest and variety to the massing of a building. The maximum spacing between roof offsets shall be thirty-five (35) feet.

(4) The architectural design of the front façade shall be continued around all visibly exposed sides of a building. All sides of a building shall be consistent in design, including style, materials, and details.

(5) All main building entrances shall be defined and articulated by architectural elements such as lintels, pediments, pilasters, columns, porticoes, porches, overhangs, railings, etc.

(6) Gable and hipped roofs shall be used to the greatest extent possible. Both gable and hipped roofs shall provide overhanging eaves on all sides that extend a minimum of one (1) foot beyond the building wall.

E. Parking

- (1) Parking shall be provided in conformance with the Residential Site Improvement Standards, including the guest parking requirements.
- (2) A minimum of one (1) attached garage space is required per unit.

F. Signage

- (1) One monument sign is permitted to be installed to identify the development, and one sign shall be permitted to identify the roadway as private.
- (2) Said sign shall be a maximum of twenty (20) square feet and a maximum of five (5) feet tall.
- (3) Said sign may be externally illuminated.

G. Lighting

- (1) A lighting plan prepared by a qualified individual shall be provided with site plan applications.
- (2) All parking areas shall have a minimum average illumination of one-half (0.5) footcandles.
- (3) Public and private streets shall have a minimum average of one (1.0) footcandle over the cartway.
- (4) No lighting at the property line shall exceed one-half (0.5) footcandles, except for where there is an access road.
- (5) Light fixtures shall be full cut off where required and no taller than fifteen (15) feet.

H. Landscaping

- (1) Landscaping shall be provided to promote a desirable visual environment, to accentuate building design, screen parking areas, and mitigate averse visual impacts.
- (2) Landscape plans shall be prepared by a NJ Licensed Landscape Architect. A plant list shall be provided, listing quantity, plan key, botanical name, common name, installation size, and mature size.
- (3) Shade trees shall be provided easterly from the intersection of Duane Lane and Brenner Place at an average of fifty (50) feet on center. Shade trees shall be provided along all internal roadways, whether public or private, at an average of sixty (60) feet on center. Shade trees shall be a minimum of three (3) inches caliper and ten (10) feet in height at

the time of planting. The following shade tree species are permitted:

- (a) Regent Scholar.
  - (b) Chinese Elm.
  - (c) October Glory Maple.
  - (d) Katsure tree.
  - (e) Maidenhair tree.
  - (f) Greenspire Linden.
  - (g) Village Green Zelkova.
  - (h) Red Sunset Maple.
  - (i) Such other species as approved by the Borough engineer or planner.
- (4) Foundation plantings shall be provided to soften the mass of the front façade of buildings. Said plants shall provide seasonal interest at varying heights to complement and provide pedestrian scale to the proposed development.
- (5) Surface parking areas shall be landscaped with a combination of shade trees and shrubs. Shade trees shall be a minimum three-inch caliper and shrubs shall be no less than one (1) foot tall at the time of installation. One (1) shade tree and one (1) shrub shall be provided for every ten (10) parking spaces.
- (6) The tract setback shall be suitably landscaped, where required by the Planning Board, to provide a visual screen from adjacent uses. Where existing vegetation can provide a suitable screen, the existing vegetation shall be illustrated on the landscaping plan to confirm. If additional landscaping is required, the landscape architect shall develop a plan that reasonably accomplishes same. Excluded from the foregoing shall be areas that are to be used for Detention/Water Quality Facilities. In such areas the developer through its landscape architect shall create an appropriate landscape area separating the new development from the existing golf course.
- I. Fences, walls, and entrance gate/piers
- (1) Fences and walls between a building and public street shall be a maximum of six (6) feet tall.
  - (2) Fences and walls not located between a building and public street shall be a maximum of six feet tall.

(3) The piers supporting the entrance gates to the development and the adjoining walls to such piers shall not exceed seven (7) feet in height plus decorative lighting may be installed on top provided such decorative lighting does not exceed two (2) feet for a total of not more than nine (9) feet in height. The entrance gates shall not exceed nine (9) feet in height.

J. Trash. Trash and recycling may be stored inside each individual unit, or in the recreation center area, or in a common trash enclosure subject to the following requirements:

(1) The trash enclosure shall not be visible from any public street.

(2) The trash enclosure shall be constructed of a six-foot-tall masonry wall on three (3) sides and a solid heavy-duty gate closure on the fourth side.

(3) The trash enclosure shall be surrounded and screened on three (3) sides by a mixture of evergreen plants. Evergreen plants must be at least six (6) feet tall at the time of planting.

K. Affordable housing.

(1) Block 119, Lots 1.05, 1.06, and 1.07 (which were to have been changed to Block 119, Lot 1.51) and Block 120, Lots 1.03 and 1.04 (which were to have been changed to Block 120, Lots 1.31, 1.32, 1.41 and 1.42 on the Tax Assessment maps of the Borough of Demarest) shall provide five affordable housing units through a payment-in-lieu of One Million (\$1,000,000) Dollars. The payments shall be made based upon the milestones set forth herein:

(a) Upon the commencement of site work, road construction or excavation: Two Hundred Fifty Thousand (\$250,000.00) Dollars. The term 'site work' is specifically understood to exclude the eastern extension of Duane Lane including the construction of the cul-de-sac and site clearing of the Property;

(b) Upon the issuance of the first building permits(s) for actual construction of the first townhouse building: Two Hundred Fifty Thousand (\$250,000.00) Dollars;

(c) Upon issuance of the tenth (10<sup>th</sup>) certificate of occupancy to occupy residential units in the Development: Five Hundred Thousand (\$500,000.00) Dollars.

L. Utilities. All utilities shall be underground.

M. Site Improvement Standards.

(1) Streets, curbs, gutters, sidewalks (which at the discretion of the developer may be waived if they are not on a public street), pavements, street signs, parking lots, the water supply, fire hydrants, the sanitary sewer system, and stormwater management shall be designed pursuant to the Residential Site Improvement Standards (N.J.A.C. 5:21).

N. Off-Site Improvements.

- (1) Off-tract improvements are required whenever an application for development requires the construction of off-tract improvements that are clearly, directly, and substantially related to or necessitated by the proposed development. The Planning Board, as the case may be, may require as a condition of final site plan or subdivision approval that the applicant provide for such off-tract improvements if such off-tract improvements are necessitated by the townhouse development. Off-tract improvements shall include water, sanitary sewer, drainage, and street improvements.
- (2) Determination of cost. When off-tract improvements are required, the Borough Engineer shall calculate the cost of such improvements in accordance with the procedures for determining performance guaranty amounts in N.J.S.A. 50:55-D-53.4. Such costs may include, but not be limited to, any or all costs of planning, surveying, permit acquisition, design, specification, bidding, construction, construction management, inspection, legal, traffic control and other common and necessary costs of the construction of improvements. The Borough Engineer shall also determine the percentage of off-tract improvements that are attributable to the applicant's development proposal and shall expeditiously report his findings to the Planning Board and the applicant.
- (3) Improvements required solely for the application's development. Where the need for an off-tract improvement is necessitated by the proposed development and no other property owners receive a special (i.e. more than incidental) benefit thereby, or where no planned capital improvement by a governmental entity is contemplated, or the improvement is required to meet the minimum standard of the approving authority, the applicant shall be solely responsible for the cost and installation of the required off-tract improvements. The applicant shall elect to either install the off-tract improvements or pay the municipality for the cost of the installation of the required off-tract improvements.
- (4) Performance guaranty. If the applicant elects to construct the improvements, the applicant shall be required to provide, as a condition of final approval, a performance guaranty for the off-tract improvements in accordance with N.J.S.A. 50:55D-53 and Subsection 172-12.1N.(2) above.
- (5) Certification of costs. Once the required off-tract improvements are installed and the performance bond released, the developer shall provide a certification to the Borough Engineer of the actual costs of the installation. The Borough Engineer shall review the certification of costs and shall either accept them, reject them, or conditionally accept them. In the review of costs, the Borough Engineer shall have the right to receive copies of invoices from the developer sufficient to substantiate the certification. Failure of the developer to provide such invoices within six (6) months of the Borough Engineer's request shall constitute forfeiture of the right of future reimbursement for improvements that benefit other.

- (6) Time limit for reimbursement. Notwithstanding any other provisions to the contrary, no reimbursement for the construction of off-tract improvements providing excess capacity shall be made after ten (10) years has elapsed from the date of the acceptance of the certification of costs by the Borough Engineer.

O. General.

- (1) All applications within the Residential Multi-family-2 Overlay District shall include a statement from the developer or its professional that the proposed development is in compliance with Section 153-4H of the Borough of Demarest ordinances.
- (2) All applications within the Residential Multi-family -2 Overlay District shall comply with Section 153-4, Performance Standards.
- (3) Site Plans submitted as part of any application within the Residential Multi-family -2 Overlay District shall be prepared in accordance with Section 153-5.

**Section 3.** There is hereby created the Residential Multi-family 2 Overlay District Zone (hereinafter R-MF 2 Overlay District) which shall be considered an overlay zone applicable to Block 119, Lots 1.05, 1.06, and 1.07 (which were to have been changed to Block 119, Lot 1.51) and Block 120, Lots 1.03 and 1.04 (which were to have been changed to Block 120, Lots 1.31, 1.32, 1.41 and 1.42 on the Tax Assessment maps of the Borough of Demarest), which lots are located in the current Residential A Zone. It is expressly understood that the Residential A zone uses shall continue to be permitted uses in the R-MF 2 Overlay District zone).

**Section 4. Severability.**

If any section, subsection, paragraph, sentence or other part of this Ordinance is adjudged unconstitutional or invalid, such judgement shall not affect or invalidate the remainder of the Ordinance, but shall be confined in its effect to this section, subsection, paragraph sentence or other part of this Ordinance directly involved in the controversy with respect to which said judgement 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, and its provisions shall apply to all building permits applied for on or after the date of adoption and publication hereof as prescribed by law.

BOROUGH OF DEMAREST

By: Melinda J. Iannuzzi  
Melinda Iannuzzi, Mayor

ATTEST:

Susan Crosman  
Susan Crosman, RMC, Borough Clerk

Introduced: April 27, 2020

Adopted: MAY 18 2020

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Appendix L.

Affordable Housing Ordinance

**ORDINANCE # 1068-19**

**BOROUGH OF DEMAREST  
BERGEN COUNTY, NEW JERSEY**

**AN ORDINANCE AMENDING CHAPTER 175 "ZONING" SO AS TO DELETE AND REPLACE SECTION 175-46 ENTITLED "AFFORDABLE HOUSING PROVISIONS" IN ITS ENTIRETY TO ADDRESS THE REQUIREMENT OF THE FAIR HOUSING ACT AND THE UNIFORM HOUSING AFFORDABILITY CONTROLS REGARDING COMPLIANCE WITH THE BOROUGH'S AFFORDABLE HOUSING OBLIGATIONS**

**WHEREAS**, the Borough of Demarest has a constitutional obligation to create a realistic opportunity for the construction of its fair share of the region's need for affordable housing; and

**WHEREAS**, the Council of the Borough of Demarest desires to create a realistic opportunity for the creation of affordable housing within the Borough; and

**WHEREAS**, the Borough voluntarily brought a timely declaratory judgment action pursuant to the procedures set forth by the Supreme Court in In Re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (2015) ("Mt. Laurel IV") seeking approval of a Housing Element and Fair Share Plan that satisfies the Borough's obligation to provide for its fair share of the regional need of low and moderate income housing; and

**WHEREAS**, after a Fairness Hearing held on March 26, 2018, by Order dated April 11, 2018, Hon. Menelaos W. Toskos, J.S.C. approved a settlement agreement between the Borough of Demarest and Fair Share Housing Center which was intended to establish the Borough's affordable housing obligations; and

**WHEREAS**, the Demarest Planning Board has adopted a Housing Element and Fair Share Plan dated February 20, 2019 pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1, et seq., which addresses the requirements of N.J.A.C. 5:93-1, et seq., as amended and supplemented, N.J.A.C. 5:80-26.1, et seq. as amended and supplemented, and the New Jersey Fair Housing Act of 1985; and

**WHEREAS**, the Borough is desirous of amending and supplementing the Borough Code to implement the above-referenced Housing Element and Fair Share Plan, which has been endorsed by the Governing Body, and include provisions addressing Demarest's constitutional obligation to provide for its fair share of low and moderate income housing, as directed by the Superior Court and consistent with N.J.A.C. 5:93-1, et seq., as amended and supplemented, N.J.A.C. 5:80-26.1, et seq., as amended and supplemented, and the New Jersey Fair Housing Act of 1985; and

**WHEREAS**, 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 those units.

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

**Section 1:** Demarest Borough Code Chapter 175 "Zoning", Article IX "Affordable Housing District", Section 46 "Affordable housing provisions" is hereby deleted in its entirety and replaced as follows:

**§175-46 Affordable Housing Regulations**

- A. Purpose. The purpose of this ordinance is to provide for and regulate affordable housing in the Borough of Demarest.
- B. Monitoring Requirements.
  - (1) On the first anniversary of the "Judgement of Compliance and Repose" or "the judicial equivalent of substantive certification", and every anniversary thereafter through the end of the repose period, the Borough agrees to provide annual reporting of trust fund activity to the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to Fair Share Housing Center ("FSHC") and posted on the municipal website, using forms developed for this purpose by the New Jersey Department of Community Affairs, Council on Affordable Housing or Local Government Services. The reporting shall include an accounting of all housing trust fund activity, including the sources and amounts of funds collected and the amount and purpose for which any funds have been expended.
  - (2) On the first anniversary of the "Judgement of Compliance and Repose" or "the judicial equivalent of substantive certification", and every anniversary thereafter through the end of the repose period, the Borough agrees to provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website, with a copy of such provided to FSHC, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC.
  - (3) For the midpoint realistic opportunity review, due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, the Borough will post on its municipal website, with a copy provided to FSHC, a status report as to its implementation of its Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether any mechanisms to meet unmet need should be revised or supplemented. Any interested party may by motion request a hearing before the court regarding these issues.
  - (4) For the review of very-low income housing requirements required by N.J.S.A. 52:27D-329.1, within 30 days of the third anniversary of the "Judgement of Compliance and Repose" or "the judicial equivalent of substantive certification", and every third year thereafter, the Borough will post on its municipal website, with copies provided to FSHC, a status report as to its satisfaction of its very-low income requirements, including the family very-low income requirements referenced in the Settlement Agreement, dated January 23, 2018.
- C. Definitions. The following terms when used in this Ordinance shall have the meanings given in

this Section:

**ACT**

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

**ADAPTABLE**

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

**ADMINISTRATIVE AGENT**

The entity designated by the Borough to administer affordable units in accordance with this Ordinance, N.J.A.C. 5:93, and UHAC (N.J.A.C. 5:80-26).

**AFFIRMATIVE MARKETING**

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**

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**

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

**AFFORDABLE HOUSING DEVELOPMENT**

A development included in or approved pursuant to the Housing Element and Fair Share Plan or otherwise intended to address the Borough's fair share obligation, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100% affordable housing development.

**AFFORDABLE HOUSING PROGRAM(S)**

Any mechanism in a municipal Fair Share Plan prepared or implemented to address a municipality's fair share obligation.

**AFFORDABLE UNIT**

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

**AGENCY**

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**

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 wherein the unit is situated are 62 years of age or older; or 2) at least 80% of the units are occupied by one person who 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.

**ALTERNATIVE LIVING ARRANGEMENTS**

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

**ASSISTED LIVING RESIDENCE**

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**

A household that has been certified by an Administrative Agent as a low income household or moderate income household.

**COAH**

The Council on Affordable Housing, as established by the New Jersey Fair Housing Act (N.J.S.A. 52:27D-301, et seq.), or any successor agency charged with the administration of the Act.

**COURT**

The Superior Court of New Jersey, Law Division, Bergen County.

**DCA**

The State of New Jersey Department of Community Affairs.

**DEFICIENT HOUSING UNIT**

A housing unit with health and safety code violations that requires 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**

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

#### **DEVELOPMENT**

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**

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 gut rehabilitation or reconstruction of a vacant residential structure.

#### **LOW INCOME HOUSEHOLD**

A household with a total gross annual household income equal to 50% or less of the regional median household income by household size.

#### **LOW INCOME UNIT**

A restricted unit that is affordable to a low income household.

#### **MAJOR SYSTEM**

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 and load bearing structural systems.

#### **MARKET-RATE UNIT**

Housing not restricted to low and moderate income households that may sell or rent at any price.

#### **MEDIAN INCOME**

The median income by household size for the applicable housing region, as adopted annually by COAH or a successor entity approved by the Court.

#### **MODERATE INCOME HOUSEHOLD**

A household with a total gross annual household income in excess of 50% but less than 80% of the regional median household income by household size.

#### **MODERATE INCOME UNIT**

A restricted unit that is affordable to a moderate income household.

#### **MULTI-FAMILY UNIT**

A structure containing five or more dwelling units.

**NON-EXEMPT SALE**

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**

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**

The maximum housing value in each housing region affordable to a four-person household with an income at 80% of the regional median as defined by duly adopted Regional Income Limits published annually by COAH or a successor entity.

**REHABILITATION**

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

**RENT**

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**

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 amended and supplemented, but does not include a market-rate unit financed under UHORP or MONI.

**UHAC**

The Uniform Housing Affordability Controls set forth in N.J.A.C. 5:80-26, et seq.

**VERY-LOW INCOME HOUSEHOLD**

A household with a total gross annual household income equal to 30% or less of the regional median household income by household size.

**VERY-LOW INCOME UNIT**

A restricted unit that is affordable to a very-low income household.

**WEATHERIZATION**

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 a rehabilitation program.

D. Applicability.

- (1) The provisions of this Ordinance shall apply to all affordable housing developments and affordable housing units that currently exist and that are proposed to be created within the Borough of Demarest pursuant to the Borough's most recently adopted Housing Element and Fair Share Plan.
- (2) Moreover, this Ordinance shall apply to all developments that contain low and moderate income housing units, including any currently unanticipated future developments that will provide low and moderate income housing units.

E. Borough-wide Set-aside.

- (1) Any property in the Borough of Demarest that receives a use variance, density variance increasing the permissible density at the site, a rezoning permitting multi-family residential housing where not previously permitted or a new redevelopment plan, to permit multi-family residential development, which would yield five or more additional units (over and above those already permitted as of right), that are developed at a density of six or more units per acre, shall provide a minimum affordable housing set-aside of:
  - (a) Fifteen (15%) percent if the affordable units will be for rent; or
  - (b) Twenty (20%) percent set-aside if the affordable units will be for sale.
- (2) This requirement shall not apply to sites zoned for inclusionary residential development to meet the Realistic Development Potential or the overlay zones created to meet the unmet need as part of the Borough's Housing Element and Fair Share Plan, which shall comply with the applicable zoning or redevelopment plan requirements of providing affordable housing units.
- (3) This requirement does not, and shall not be construed to, grant any developer the right to any rezoning, variance, redevelopment designation or other relief or establish any obligations on the part of the municipality to grant such rezoning, variance, redevelopment designation or other relief.
- (4) A property shall not be permitted to be subdivided so as to avoid compliance with this requirement.
- (5) All affordable units created pursuant to this Section shall be governed by the provisions of Section 175-46 "Affordable Housing Regulations".

F. Accessory Apartments.

- (1) All accessory apartments shall meet the following conditions:
  - (a) Accessory apartments are permitted by the Zoning Ordinance for various zoning districts, provided the units are affordable to low and moderate income households. Accessory apartments may be developed as low income or moderate income units.
  - (b) Accessory apartments shall comply with all applicable statutes and regulations of the State of New Jersey in addition to all building codes.
  - (c) At the time of initial occupancy of the unit and for at least ten years thereafter, the accessory apartment shall be rented only to a household which is either a low or moderate income household.
  - (d) Rents of accessory apartments shall be affordable to low or moderate income households as per the UHAC regulations.
  - (e) There shall be a recorded deed or declaration of covenants and restrictions applied to the property upon which the accessory apartment is located running with the land and limiting its subsequent rental or sale of the unit and the accessory apartment.
  - (f) The appropriate utility authority must certify that there is water and sewer infrastructure with sufficient capacity to serve the proposed accessory apartment. Where the proposed location is served by an individual well and/or septic system, the additional capacity necessitated by the new unit must meet the appropriate NJDEP standards.
  - (g) The Borough of Demarest accessory apartment program shall not restrict the number of bedrooms in any accessory apartment.
  - (h) No accessory apartment created as a result of this Ordinance or these regulations shall exceed the gross floor area of the existing principal dwelling on the lot.
- (2) The maximum number of creditable accessory apartments shall be equal to no more than 10 (additional units may be approved by COAH or the Court if the municipality has demonstrated successful completion of its accessory apartment program.).
- (3) Demarest shall designate an administrative entity to administer the accessory apartment program that shall have the following responsibilities:
  - (a) The Administrative Agent shall administer the accessory apartment program, including advertising, income qualifying prospective renters, setting rents and annual rent increases, maintaining a waiting list, distributing the subsidy, securing certificates of occupancy, qualifying properties, handling application forms, filing deed restrictions and monitoring reports and affirmatively marketing the affordable accessory apartment program in accordance with the UHAC.

- (b) The administrative entity shall only deny an application for an accessory apartment if the project is not in conformance with the affordable housing requirements and/or the provisions of this section. All denials shall be in writing with the reasons clearly stated.
  - (c) In accordance with the executed Settlement Agreement, the Borough will provide at least \$20,000 per unit to subsidize the creation of each accessory apartment. The subsidy may be used to fund actual construction costs and/or to provide compensation for reduced rental rates.
- (4) Property owners wishing to apply to create an accessory apartment shall submit to the administrative agent:
- (a) A sketch of floor plan(s) showing the location, size and relationship of both the accessory apartment and the primary dwelling within the building or in another structure;
  - (b) Rough elevations showing the modifications of any exterior building façade to which changes are proposed; and
  - (c) A site development sketch showing the location of the existing dwelling and other existing buildings; all property lines; proposed addition, if any, along with the minimum building setback lines; the required parking spaces for both dwelling units; and any man-made conditions which might affect construction.

G. Alternate Living Arrangements.

- (1) The administration of an alternative living arrangement shall be in compliance with N.J.A.C. 5:93-5.8 and UHAC, with the following exceptions:
- (a) Affirmative marketing (N.J.A.C. 5:80-26.15), provided, however, that the units or bedrooms may be affirmatively marketed by the provider in accordance with an alternative plan approved by COAH or the Court.
  - (b) Affordability average and bedroom distribution (N.J.A.C. 5:80-26.3).
- (2) With the exception of units established with capital funding through a 20-year operating contract with the Department of Human Services, Division of Developmental Disabilities, alternative living arrangements shall have at least 30 year controls on affordability in accordance with UHAC, unless an alternative commitment is approved by COAH or the Court.
- (a) The service provider for the alternative living arrangement shall act as the Administrative Agent for the purposes of administering the affirmative marketing and affordability requirements for the alternative living arrangement.

H. Inclusionary Zoning.

- (1) To implement the fair share plan in a manner consistent with the terms of the January 23, 2018 Settlement Agreement, ensure the efficient use of land through compact forms of development and to create realistic opportunities for the construction of affordable housing, inclusionary zoning shall be permitted as outlined in the Borough's 2018 Housing Plan Element and Fair Share Plan.

I. Phasing Schedule for Inclusionary Zoning.

- (1) In inclusionary developments, the following schedule shall be followed:

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

J. Fractional Units and Payments-in-Lieu.

- (1) Inclusionary developments that result in a fractional affordable housing obligation of 0.4 or less may round the number of affordable units down. The application shall make a pro-rated payment-in-lieu to cover the fraction.
- (2) If the required number of affordable units results in a fraction of 0.5 or greater, the Applicant shall round up and provide the additional affordable unit.
- (3) The payment-in-lieu for Demarest shall be \$200,000 for 2019. The payment-in-lieu shall increase by 3% each year. To calculate the payment-in-lieu the developer shall multiply the fraction by the payment. For example, a fraction of 0.4 triggered in 2020 would require a payment of \$82,400. The payment shall be made to the Borough's Affordable Housing Trust Fund.

K. New Construction.

- (1) Low/Moderate Split and Bedroom Distribution of Affordable Housing Units:
  - (a) The fair share obligation shall be divided equally between low and moderate income units, except that where there is an odd number of affordable housing units, the extra unit shall be a low income unit. At least 13% of all restricted rental units shall be very-low income units (affordable to a household earning 30% or less of median income). The very-low income units shall be counted as part of the required number of low

income units within the development.

- (b) At least 25% of the obligation shall be met through rental units, including at least half in rental units available to families
- (c) A maximum of 25% of the Borough's obligation may be met with age restricted units. At least half of all affordable units in the Borough's Plan shall be non-restricted.
- (d) In each affordable development, at least 50% of the restricted units within each bedroom distribution shall be low income units.
- (e) Affordable developments that are not age-restricted shall be structured in conjunction with realistic market demands such that:
  - [1] The combined number of efficiency and one-bedroom units shall be no greater than 20% of the total low and moderate income units;
  - [2] At least 30% of all low and moderate income units shall be two bedroom units;
  - [3] At least 20% 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.
- (f) Affordable developments that are age-restricted shall be structured such that the number of bedrooms shall equal the number of age-restricted low and moderate income units within the inclusionary development. This standard may be met by having all one-bedroom units or by having a two-bedroom unit for each efficiency unit. The Borough shall not be permitted to claim credit to satisfy its obligations under the Settlement Agreement for age-restricted units that exceed 25% of all units developed.

## (2) Accessibility Requirements

- (a) The first floor of all restricted townhouse dwelling units and all restricted units in all other multi-story buildings shall be subject to the technical design standards of the Barrier Free SubCode, N.J.A.C. 5:23-7.
- (b) All restricted townhouse dwelling units and all restricted units in other multi-story buildings in which a restricted dwelling unit is attached to at least one other dwelling unit shall have the following features:
  - [1] An adaptable toilet and bathing facility on the first floor; and
  - [2] An adaptable kitchen on the first floor; and
  - [3] An interior accessible route of travel on the first floor; and

- [4] An adaptable room that can be used as a bedroom, with a door or casing for the installation of a door, on the first floor; and
- [5] If not all of the foregoing requirements in (b)[1] through (b)[4] can be satisfied, then an interior accessible route of travel must be provided between stories within an individual unit, but if all of the terms of paragraphs (b)[1] through (b)[4] above have been satisfied, then an interior accessible route of travel shall not be required between stories within an individual unit; and
- [6] An accessible entranceway as set forth at P.L. 2005, c. 350 (N.J.S.A. 52:27D-311a, et seq.) and the Barrier Free SubCode, N.J.A.C. 5:23-7, or evidence that Demarest has collected funds from the developer sufficient to make 10% of the adaptable entrances in the development accessible:
  - (i) Where a unit has been constructed with an adaptable entrance, upon the request of a person with disabilities who is purchasing or will reside in the dwelling unit, an accessible entrance shall be installed.
  - (ii) To this end, the builder of restricted units shall deposit funds within the Borough of Demarest's Affordable Housing Trust Fund sufficient to install accessible entrances in 10% of the affordable units that have been constructed with adaptable entrances.
  - (iii) The funds deposited under paragraph [6][ii] above shall be used by the Borough of Demarest for the sole purpose of making the adaptable entrance of an affordable unit accessible when requested to do so by a person with a disability who occupies or intends to occupy the unit and requires an accessible entrance.
  - (iv) The developer of the restricted units shall submit a design plan and cost estimate to the Construction Official of the Borough of Demarest for the conversion of adaptable to accessible entrances.
  - (v) Once the Construction Official has determined that the design plan to convert the unit entrances from adaptable to accessible meet the requirements of the Barrier Free SubCode, N.J.A.C. 5:23-7, and that the cost estimate of such conversion is reasonable, payment shall be made to the Borough's Affordable Housing Trust Fund in care of the Borough Chief Financial Officer who shall ensure that the funds are deposited into the Affordable Housing Trust Fund and appropriately earmarked.
  - (vi) Full compliance with the foregoing provisions shall not be required where an entity can demonstrate that it is "site impracticable" to meet the requirements. Determinations of site impracticability shall be in compliance with the Barrier Free SubCode, N.J.A.C. 5:23-7.

(3) 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.
- (4) 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 most recently published regional weighted average of the uncapped Section 8 income limits published by HUD and using the calculation set forth below. Income limits for all affordable units that are created in the Borough for which income limits are not already established through a federal program exempted from the UHAC pursuant to N.J.A.C. 5:80-26.1 shall be updated by the Borough annually within 30 days of the publication of determinations of median income by the Department of Housing and Urban Development ("HUD") as follows:
    - [1] Regional income limits shall be established for the region within which the Borough is located based on the median income by household size, which shall be established by a regional weighted average of the uncapped Section 8 income limits published by HUD. To compute this regional income limit, the HUD determination of median county income for a family of four is multiplied by the estimated households within the county according to the most recent decennial Census. This is done for each county in the housing region and the resulting product for each county within the housing region is summed. The sum is then divided by the estimated total households from the most recent decennial Census in the Borough's housing region. This quotient represents the regional weighted average of median income for a household of four. The income limit for a moderate income unit for a household of four shall be 80% of the regional weighted average median income for a family of four. The income limit for a low income unit for a household of four shall be 50% of the HUD determination of the regional weighted average median income for a family of four. The income limit for a very-low income unit for a household of four shall be 30% of the HUD determination of the regional weighted average median income for a family of four. These income limits shall be adjusted by household size based on multipliers used by HUD to adjust median income by household size. In no event shall the income limits be less than those for the previous year.
    - [2] The income limits are the result of applying the percentages set forth in paragraph [1] above to HUD's determination of median income for the fiscal year 2017, and shall be utilized until the Borough updates the income limits after HUD has published revised determinations of median income for the next fiscal year.
    - [3] The Regional Asset Limit used in determining an applicant's eligibility for affordable housing pursuant to N.J.A.C. 5:80-26.16(b)(3) shall be calculated by the Borough

annually by taking the percentage increase of the income limits calculated pursuant to paragraph [1] above over the previous year's income limits, and applying the same percentage increase to the Regional Asset Limit from the prior year. In no event shall the Regional Asset Limit be less than that for the previous year.

- (b) 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 or a successor entity.
- (c) The maximum rent for restricted rental units within each affordable development shall be affordable to households earning no more than 60% of median income, and the average rent for restricted rental units shall be affordable to households earning no more than 52% of median income.
- (d) The developers and/or municipal sponsors of restricted rental units shall establish at least one rent for each bedroom type for both low income and moderate income units, provided that at least 13% of all low and moderate income rental units shall be affordable to very-low income households, earning 30% or less of the regional median household income, with such very-low income units counted the low income housing requirement.
- (e) The maximum sales price of restricted ownership units within each affordable development shall be affordable to households earning no more than 70% of median income, and each affordable development must achieve an affordability average of 55% 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.
- (f) 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;
  - [2] A one-bedroom unit shall be affordable to a one and one-half person household;
  - [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.
- (g) 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 two one-person households.
- (h) The initial purchase price for all restricted ownership units shall be calculated so that the monthly carrying cost of the unit, including principal and interest (based on a mortgage loan equal to 95% of the purchase price and the Federal Reserve H.15 rate of interest), taxes, homeowner and private mortgage insurance and condominium or homeowner association fees do not exceed 28% of the eligible monthly income of the appropriate size household as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the price shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.
- (i) The initial rent for a restricted rental unit shall be calculated so as not to exceed 30% of the eligible monthly income of the appropriate size household, including an allowance for tenant paid utilities, as determined under N.J.A.C. 5:80-26.4, as may be amended and supplemented; provided, however, that the rent shall be subject to the affordability average requirement of N.J.A.C. 5:80-26.3, as may be amended and supplemented.
- (j) 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.
- (k) 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.

L. Utilities.

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

M. Occupancy Standards.

- (1) 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:

- (a) Provide an occupant for each bedroom;
- (b) Provide children of different sexes with separate bedrooms;
- (c) Provide separate bedrooms for parents and children; and
- (d) Prevent more than two persons from occupying a single bedroom.

N. Control Periods for Restricted Ownership Units and Enforcement Measures.

- (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 Demarest takes action to release the unit from such requirements; prior to such action, a restricted ownership unit shall 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.

O. Price Restrictions for Restricted Ownership Units, Homeowner Association Fees and Resale

Prices.

- (1) Price restrictions for restricted ownership units shall be in accordance with N.J.A.C. 5:80-26.1, as may be amended and supplemented, including:
  - (a) The initial purchase price for a restricted ownership unit shall be approved by the Administrative Agent.
  - (b) The Administrative Agent shall approve all resale prices, in writing and in advance of the resale, to assure compliance with the foregoing standards.
  - (c) 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
  - (d) 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 R.

P. 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% of median income and moderate income ownership units shall be reserved for households with a gross household income less than 80% of median income.
- (2) Notwithstanding the foregoing, however, the Administrative Agent may, upon approval by the Borough Council, and subject to the Court's approval, permit moderate income purchasers to buy low income units in housing markets if the Administrative Agent determines that there is 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 and 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 another certified household for a period not to exceed one year.
- (4) The Administrative Agent shall certify a household as eligible for a restricted ownership unit when the household is a 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% of the

household's eligible monthly income.

Q. 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% 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).

R. 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 adds 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.

S. Control Periods for Restricted 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 Demarest takes action to release the unit from such requirements. Prior to such action, a restricted rental unit shall 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 Bergen. The deed shall also identify each affordable unit by apartment number and/or address and whether that unit is designated as a very-low, low or moderate income unit. Neither the unit nor its affordability designation shall change throughout the term of the deed restriction. 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 of other voluntary transfer of the ownership of the unit; or
  - (c) The entry and enforcement of any judgement of foreclosure on the property containing the unit.

T. 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.

U. 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% of median income.
  - (b) Low income rental units shall be reserved for households with a gross household income less than or equal to 50% of median income.
  - (c) Moderate income rental units shall be reserved for households with a gross household

income less than 80% 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% (40% 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% (40% 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% (40% 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 reliable anticipated third-party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the owner of the unit.
- (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.

**§175-46.1 Municipal Housing Liaison.**

- A. The Borough of Demarest shall 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. The Municipal Housing Liaison shall be appointed by the governing body and may be a full or part time municipal employee.
- B. The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program for Demarest, including the following responsibilities which may not be contracted out to the Administrative Agent:
  - (1) Serving as Demarest'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 Demarest's Fair Share Plan;
  - (3) Compiling, verifying and submitting annual monitoring reports as may be required by the Court;
  - (4) Coordinating meetings with affordable housing providers and Administrative Agents, as needed; and
  - (5) Attending continuing education opportunities on affordability controls, compliance monitoring and affirmative marketing at least annually and more often as needed.
- C. Subject to the approval of the Court, the Borough of Demarest shall designate one or more Administrative Agent(s) to administer newly constructed affordable units in accordance with UHAC. An Operating Manual for each affordable housing program shall be provided by the Administrative Agent(s) to be adopted by resolution of the governing body and subject to approval of the Court. The Operating Manual(s) shall be available for public inspection in the office of the Borough Clerk, in the office of the Municipal Housing Liaison, and in the office(s) of the Administrative Agent(s). The Municipal Housing Liaison shall supervise the contracting Administrative Agent(s).
- D. Compensation. Compensation shall be fixed by the governing body at the time of the appointment of the Municipal Housing Liaison.

**§175-46.2 Administrative Agent.**

- A. The Administrative Agent shall be an independent entity serving under contract to and reporting to the municipality. For new sale and rental developments, all of the fees of the Administrative Agent shall be paid by the owners of the affordable units for which the services of the Administrative Agent are required. For resales, single family homeowners and condominium homeowners shall be required to pay three percent of the sales price for services provided by the Administrative Agent related to the resale of their homes. That fee shall be collected at closing and paid directly to the 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) Conducting an outreach process to affirmatively market affordable housing units in accordance with the Affirmative Marketing Plan of the Borough of Demarest and the provisions of N.J.A.C. 5:80-26.15; and
- (2) 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.

B. Household Certification:

- (1) Soliciting, scheduling, conducting and following up on interviews with interested households;
- (2) 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;
- (3) Providing written notification to each applicant as to the determination of eligibility or non-eligibility;
- (4) 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.;
- (5) 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
- (6) Employing a random selection process as provided in the Affirmative Marketing Plan of the Borough of Demarest when referring households for certification to affordable units.

C. Affordability Controls:

- (1) 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;
- (2) 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;
- (3) Ensuring that the removal of the deed restrictions and cancellation of the mortgage note are effectuated and properly filed with the Bergen County Register of Deeds or County Clerk's office after the termination of the affordability controls for each restricted unit;
- (4) Communicating with lenders regarding foreclosures; and

- (5) Ensuring the issuance of Continuing Certificates of Occupancy or certifications pursuant to N.J.A.C. 5:80-26.10.

D. Sales and Rentals:

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

E. Processing Requests from Unit Owners:

- (1) 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;
- (2) Reviewing and approving requests to increase sales prices from owners of restricted units who wish to make capital improvements to the units that would affect the selling price, such authorizations to be limited to those improvements resulting in additional bedrooms or bathrooms and the depreciated cost of central air conditioning systems;
- (3) Notifying the municipality of an owner's intent to sell a restricted unit; and
- (4) Making determinations on requests by owners of restricted units for hardship waivers.

F. Enforcement:

- (1) Securing annually from the Borough 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;
- (2) Securing from all developers and sponsors of restricted units, at the earliest point of contact in the processing of the project or development, written acknowledgement of the requirement that no restricted unit can be offered, or in any other way committed, to any person, other than a household duly certified to the unit by the Administrative Agent;
- (3) 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;
- (4) 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;
- (5) Establishing a program for diverting unlawful rent payments to the municipality's

Affordable Housing Trust Fund; and

- (6) Creating and publishing a written operating manual for each affordable housing program administered by the Administrative Agent, to be approved by the Borough Council and the Court, setting forth procedures for administering the affordability controls.

G. Additional Responsibilities:

- (1) The Administrative Agent shall have the authority to take all actions necessary and appropriate to carry out its responsibilities hereunder.
- (2) The Administrative Agent shall prepare monitoring reports for submission to the Municipal Housing Liaison in time to meet any monitoring requirements and deadlines imposed by the Court.
- (3) The Administrative Agent shall attend continuing education sessions on affordability controls, compliance monitoring, and affirmative marketing at least annually and more often as needed.

**§175-46.3 Affirmative Marketing Requirements.**

- A. The Borough of Demarest shall adopt by resolution an Affirmative Marketing Plan, subject to the approval of the Court that is compliant with N.J.A.C. 5:80-25.15, as may be amended and supplemented.
- B. The Affirmative Marketing Plan is a regional marketing strategy designed to attract buyers and/or renters of all majority and minority groups, regardless of race, creed, color, national origin, ancestry, marital or familial status, gender, affectional or sexual orientation, disability, age or number of children to housing units which are being marketed by a developer, sponsor or owner of affordable housing. The Affirmative Marketing Plan is intended to target those potentially eligible persons who are least likely to apply for affordable units in that region. In addition, as a result of the Settlement Agreement, the Affirmative Marketing Plan shall require the notification of the Fair Share Housing Center, New Jersey State Conference of the NAACP, the Latino Action Network, Bergen County NAACP, Bergen County Urban League and Bergen County Housing Coalition of affordable housing opportunities. It is a continuing program that directs marketing activities toward Housing Region 1 and is required to be followed throughout the period of restriction.
- C. The Affirmative Marketing Plan shall provide a regional preference for all households that live and/or work in Housing Region 1, comprised of Bergen, Hudson, Passaic and Sussex Counties.
- D. 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 Demarest shall implement the Affirmative Marketing Plan to assure the affirmative marketing of all affordable units.

- E. 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.
- F. 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.
- G. The affirmative marketing process for available affordable units shall begin at least four months (120 days) prior to the expected date of occupancy.
- H. Applications for affordable housing shall be available in several locations, including, at a minimum, the Sussex County Main Library, Hudson County Administration Building, Passaic County Administration Building, Bergen County Administration Building, the Demarest Municipal Building and the developer's rental office. Pre-applications may be emailed to prospective applicants upon request. Otherwise, hard copies are available from the Municipal Housing Liaison.
- I. The costs of advertising and affirmative marketing of the affordable units shall be the responsibility of the developer, sponsor or owner.

#### **§175-46.4 Enforcement of Affordable Housing Regulations.**

- A. Upon the occurrence of a breach of any of the regulations governing the affordable unit by an Owner, Developer or Tenant, the municipality shall have all remedies provided at law or equity, including but not limited to foreclosure, tenant eviction, 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.
- B. 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:
  - (1) The municipality may file a court action pursuant to N.J.S.A. 2A:58-11 alleging a violation or violations of the regulations governing the affordable housing unit. If the Owner, Developer or Tenant is adjudged by the Court to have violated any provision of the regulations governing affordable housing units the Owner, Developer or Tenant shall be subject to one or more of the following penalties, at the discretion of the Court:
    - (a) A fine of not more than \$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. 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 Demarest Affordable Housing Trust Fund of the gross amount of rent illegally collected;

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

of redemption.

- (d) If there are no bidders at the Sheriff's sale, or if insufficient amounts are bid to satisfy the First Purchase Money Mortgage and any prior liens, the municipality may acquire title to the 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.

### **§175-46.5 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 or with the Superior Court, Bergen County Vicinage.

### **Section 2. Severability**

If any section, subsection, paragraph, sentence or other part of this Ordinance is adjudged unconstitutional or invalid, such judgement shall not affect or invalidate the remainder of the Ordinance, but shall be confined in its effect to this section, subsection, paragraph sentence or other part of this Ordinance directly involved in the controversy with respect to which said judgement shall have been rendered, and all other provisions of this Ordinance shall remain in full force and effect.

### **Section 3. Inconsistent Ordinances Repealed.**

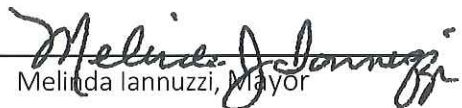
All ordinances or parts of ordinances which are inconsistent with the provisions of this Ordinance are hereby repealed, but only to the extent of such inconsistencies.

### **Section 4. Effective Date.**

This Ordinance shall take effect immediately upon final adoption and publication in the manner prescribed by law, and its provisions shall apply to all building permits applied for on or after the date of adoption and publication hereof as prescribed by law.

BOROUGH OF DEMAREST

By:

  
Melinda Iannuzzi, Mayor

ATTEST:

  
Susan Crosman, RMC, Borough Clerk

Introduced: June 24, 2019

Adopted: July 29, 2019

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Appendix M.  
Spending Plan

# 2019 AFFORDABLE HOUSING TRUST FUND SPENDING PLAN

Borough of Demarest

Council Approval: July 29, 2019

## I. INTRODUCTION

The Borough of Demarest, Bergen County is in the process of preparing a new Housing Element and Fair Share Plan 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 March 10, 2015 Supreme Court Order. The Borough adopted a development fee ordinance on August 20, 2001. This original development fee ordinance was approved by COAH on September 27, 2001. The development fee ordinance was then updated in April of 2010 via Ordinance #971. COAH approved this updated ordinance with the Borough's Third Round petition. The amended development fee ordinance was approved by COAH on March 17, 2009.

## II. REVENUES FOR CERTIFICATION PERIOD

As of December 31, 2018, the Borough of Demarest has collected \$1,820,529.80 and expended \$539,286.26, resulting in a balance of \$1,281,243.54. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund in Mariner's Bank for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:97-8.7-8.9, as described in the sections that follow.

To calculate a projection of revenue anticipated during the period of Third Round (1999-2025), the Borough of Demarest considered the following:

### (a) Development fees:

- Residential and non-residential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
- All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
- Future development that is likely to occur based on historical rates of development.

### (b) Payment in lieu (PIL):

- Actual and committed payments in lieu (PIL) of construction from developers as follows: None.

**(c) Other funding sources:**

- Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income and proceeds from the sale of affordable units. No funds are anticipated at this time.

**(d) Projected interest:**

- Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate.

The Borough of Demarest projects a total of \$397,726.88 in revenue to be collected between January 1, 2019 and December 31, 2025. This projected amount, when added to the Borough of Demarest’s trust fund balance as of July 27, 2018, results in an anticipated total revenue of \$1,678,970.42 available to fund and administer its affordable housing plan. All interest earned on the account shall be used only for the purposes of affordable housing.

PROJECTED REVENUES - AFFORDABLE HOUSING TRUST FUND								
Source of Funds	2019	2020	2021	2022	2023	2024	2025	Total
<b>(a) Development fees:</b>								
Development Pending Approval								\$0
Approved Development	\$22,500	\$22,500	\$22,500					\$67,500
Projected Residential Development	\$45,000	\$33,750	\$22,500	\$78,750	\$33,750	\$67,500	\$45,000	\$326,250
Projected Non-Res. Development								\$0
<b>(b) Payments in Lieu of Construction</b>								
								\$0
<b>(c) Other Funds</b>								
								\$0
<b>(d) Interest</b>	\$682	\$568	\$455	\$795	\$341	\$682	\$455	\$3,976.88
<b>Total</b>	<b>\$68,181.75</b>	<b>\$56,818.13</b>	<b>\$45,454.50</b>	<b>\$79,545.38</b>	<b>\$34,090.88</b>	<b>\$68,181.75</b>	<b>\$45,454.50</b>	<b>\$397,726.88</b>

\*For purposes of projecting revenues, we have utilized historic residential Certification of Occupancy data that occurred between 2010 and 2017.

Projections assume the estimated value of a new home is \$750,000. The value is then multiplied by 1.5%.

### III. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

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

**(a) Collection of development fee revenues:**

- Collection of development fee revenues shall be consistent with the Borough of Demarest'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) and with the Settlement Agreement, dated January 23, 2018.

**(b) Distribution of development fee revenues:**

- The Administration forwards a resolution to the governing body recommending the expenditure of development fee revenues as set forth in this spending plan. The governing body reviews the request for consistency with the spending plan and adopts the recommendation by resolution. The release of the funds requires the adoption of the governing body resolution in accordance with the Court-approved spending plan. Once a request is approved by resolution, the Chief Financial Officer releases the requested revenue from the trust fund for the specific use approved in the governing body's resolution.

### IV. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS

**(a) New Construction (N.J.A.C. 5:93-5.6)**

- The Borough of Demarest will reserve a minimum of \$175,000 and a maximum of \$300,000 to incentivize the construction of affordable units at 127 Hardenburgh Avenue.
- **127 Hardenburgh Avenue Soft Costs.** Demarest will dedicate up to \$30,000 to assist with soft costs, permit fees, escrow and professional fees to assist with the construction of this inclusionary development. If and when a

development application is submitted, the Borough would enter into a Memorandum of Understanding and Agreement indicating the total required fees and escrow and the dollar amount the Borough is setting aside to assist with the soft costs. The Borough's funding would be utilized first as expenses are incurred. Once that amount is extinguished, the applicant would be responsible for any remaining permit fees, escrow, application fees, etc.

**(b) Alternative Living Arrangement (N.J.A.C. 5:93-5.8)**

- The Borough anticipates that a maximum of \$413,970.42 (depending on development fees collected) will be available to assist one or more group home providers that decide to locate within the municipality. The Borough will provide up to \$40,000 per eligible bedroom in exchange for a creditable unit with a 30-year deed restriction. This is not a mechanism in the HEFSP, but the Borough would like to capitalize upon the opportunity to generate this type of affordable housing due to the community's built-out nature.

**(c) Affordability Assistance (N.J.A.C. 5:97-8.8)**

- Municipalities are required to spend a minimum of 30% of development fee revenue to render existing affordable units more affordable and one-third of that amount must be dedicated to very low-income households (i.e. households earning less than 30% of the regional median income). The actual affordability assistance minimums are calculated on an ongoing basis in the CTM system based on actual revenues.<sup>1</sup>
- All applications for the following programs can be attained at the municipal building or through the Borough's Administrative Agent. All applicants for the following programs will need to provide all required information as specified in the application and they will be required to be income-certified by the Borough's Administrative Agent to ensure the household's income is at or under 80% of median income. Assistance cannot and will not be considered to any household that does not meet the criteria or submit all required documents.

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<sup>1</sup> This assumes the Borough is permitted continued access to the CTM system. If not, the Borough will be required to track the minimums in-house.

- According to the chart on page 7, the Borough of Demarest is required to dedicate \$579,692.65<sup>2</sup> from the affordable housing trust fund to render units more affordable, including \$193,230.88 to render units more affordable to households earning 30% or less of median income by region, as follows:
  - **Rental Assistance.** Demarest will set aside up to \$40,000 for rental assistance.<sup>3</sup> (This amount may increase depending on program interest.) The Borough does not currently contain any affordable rental units but expects the 95 County Road development and the 127 Hardenburgh Avenue development to be rental in nature. Assistance will be provided on a first-come, first-served basis to income-eligible renters with good credit standing who qualify for an affordable unit. The Borough will provide a maximum amount equal to two months' rent per affordable unit/certified household in rental assistance. This will be a one-time only payment made payable to the landlord/management company as specified in the tenant's lease. Assistance will only be provided one-time to the affordable unit/household. However, a change in occupancy would allow a new tenant in a unit to take advantage of the program.
  - **HOA Assistance.** Demarest will set aside a maximum of \$16,000 for HOA assistance. (This amount may increase depending on program interest.) The Borough has four existing affordable for-sale units within the community. The Borough anticipates on providing approximately \$4,000 in HOA assistance per unit. Assistance will be provided on a first-come, first-served basis to income-eligible homeowners. This will be a one-time only payment made payable to the Homeowner's Association/Management Company as specified in the homeowner's documentation. Preference will be given to homeowners whose fees are in arrears. Assistance will only be provided one-time to the affordable unit/household. However, a change in occupancy would allow a new homeowner in a unit to take advantage of the program.
  - **Water Heater Replacement.** Demarest will set aside up to \$30,000 to replace water heaters in existing units that are more than eight years old.<sup>4</sup> (This amount may increase depending on program interest.) New water heaters are more energy efficient and will reduce the affordable households' utility expenses. Very-low, low

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<sup>2</sup> Borough staff provided the necessary inputs for this table.

<sup>3</sup>Note this figure will ultimately depend on the actual amount collected in development fees.

<sup>4</sup> Note this figure will ultimately depend on the actual amount collected in development fees.

or moderate income landlords/homeowners applying for this type of assistance will be required to submit three written estimates with detailed information about all costs. All permit fees will need to be included. Landlord/homeowner and installer will need to abide by all Borough and State Regulations. All new water heaters will need to be installed by licensed and insured entities that will ensure that the new water heater will meet all code and safety standards. Assistance will be provided on a first-come, first-served basis to existing income-eligible tenants/homeowners. The Borough will provide a maximum amount of \$2,000 per unit in assistance. Additionally, all owners of 100% affordable developments are also eligible for the program. Assistance will only be provided one-time to the certified applicant household and the unit.

- The Borough will target the existing very-low income developments to ensure compliance with the requirement to spend one-third of the affordability assistance on very-low income units.
  
- **Furnace and Air Conditioner Replacement.** Demarest will set aside up to \$45,000 to replace furnaces and air conditioners in existing units that are more than 10 years old.<sup>5</sup> (This amount may increase depending on program interest.) New furnaces and air conditioners are more energy efficient and will reduce the affordable households' utility expenses. Very-low, low or moderate income landlords/homeowners applying for this type of assistance will be required to submit three written estimates with detailed information about all costs. All permit fees will need to be included. Landlord/homeowner and installer will need to abide by all Borough and State Regulations. All furnaces and/or air conditioners will need to be installed by licensed and insured entities that will ensure that the new system will meet all code and safety standards. Assistance will be provided on a first-come, first-served basis to existing income-eligible tenants/homeowners. The Borough will provide a maximum amount of \$8,000 per unit in assistance. Additionally, all owners of 100% affordable developments are also eligible for the program. Assistance will only be provided one-time to the certified applicant household and the unit.
- The Borough will target the existing very-low income developments to ensure compliance with the requirement to spend one-third of the affordability assistance on very-low income units.

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<sup>5</sup> Note this figure will ultimately depend on the actual amount collected in development fees.

- **Green Building Strategies.** Demarest will set aside up to \$50,000 to fund one or more solar panel installations on 100% affordable developments. Solar panels would reduce the building’s utility expenses and make it more affordable for residents living within the structure. Assistance will be provided on a first-come, first-served basis to the existing 100% affordable facilities. The building owner will be required to submit three written estimates with detailed information about all costs. All permit fees will need to be included. The building

AFFORDABILITY ASSISTANCE CALCULATION			
Actual development fees through 12/31/2018			\$ 1,788,558.83
Development fees projected 2019-2025	+		\$ 393,750.00
Less housing activity expenditures through 12/31/2018	-		\$ (250,000.00)
		<b>Total</b>	<b>= \$ 1,932,308.83</b>
Calculate 30 percent	x .30 =		\$ 579,692.65
Less Affordability assistance expenditures through 12/31/2018	-		\$ -
<b>Projected Minimum Affordability Assistance Requirement 1/1/2019 through 12/31/2025</b>	<b>=</b>		<b>\$ 579,692.65</b>
Projected Minimum Very Low-Income Affordability Assistance Requirement 1/1/2019 through 12/31/2025	÷ 3 =		\$ 193,230.88

owner and installer will need to abide by all Borough and State Regulations. All installations will need to be installed by insured entities that will ensure that the solar panel system will meet all code and safety standards.

- The Borough will target the existing very-low income developments to ensure compliance with the requirement to spend one-third of the affordability assistance on very-low income units.
- **127 Hardenburgh Avenue Very-Low Income Unit.** This site will be required to contain one very-low income unit. To help balance the development’s pro-forma, the Borough will pay the developer a one-time payment of up to \$400,000 once the very-low income unit receives its certificate of occupancy. At the Borough’s option, half of this payment may be released when the building permit is issued.
- The above programs will be administered by the Borough’s Administrative Agent.

**(d) Administrative Expenses (N.J.A.C. 5:97-8.9)**

Municipalities are permitted to use affordable housing trust fund revenue for related administrative costs up to a 20% limitation pending funding availability after programmatic and affordability assistance expenditures. The actual administrative expense maximum is calculated on an ongoing basis in the CTM system based on actual revenues.<sup>6</sup>

The Borough of Demarest projects that \$154,365.08 will be available from the affordable housing trust fund to be used for administrative purposes. Projected administrative expenditures, subject to the 20% cap, are as follows:

- Borough Attorney, Engineer, Planner and Administrative Agent fees related to the administration and implementation of the Borough's affordable housing programs.
- Salaries and benefits for municipal employees for administration and implementation of the housing plan and programs.
- Municipal Housing Liaison training and on-going education.
- Completion of annual trust fund and affordable housing activity monitoring.
- Completion of very-low income monitoring every three years as detailed in the Settlement Agreement.
- Completion of the mid-point review due on July 1, 2020 as detailed in the Settlement Agreement.

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<sup>6</sup> This assumes the Borough is permitted continued access to the CTM system. If not, the Borough will be required to track the minimums in-house.

ADMINISTRATIVE EXPENSE CALCULATION		
Actual dev fees and interest thru 12/31/2018		\$1,820,529.80
Projected dev fees and interest 2019 thru 2025	+	\$397,726.88
Payments-in-lieu of construction and other deposits thru 12/31/2018	+	\$0.00
Less RCA expenditures thru 12/31/2018	-	\$0.00
Total	=	\$2,218,256.68
Calculate 20 percent	x .20 =	\$443,651.34
Less admin expenditures thru 12/31/2018	-	\$ (289,286.26)
Projected Maximum available for administrative expenses 1/1/2019 thru 12/31/2025	=	\$154,365.08

## V. EXPENDITURE SCHEDULE

The Borough of Demarest intends to use affordable housing trust fund revenues for the creation and/or preservation of affordable housing units. It should be noted that the amount spent in a given year for any line item may actually span multiple years in reality. Money may be spent slower or faster than anticipated on page 10 – the table is merely an educated guess on the timing of the various programs. The table below provides an estimated timeline for expenditure and does not restrict the Borough from spending the money sooner or later in the Third Round period.

Projects/Programs	Number of Units Projected								
		2019	2020	2021	2022	2023	2024	2025	Total
Accessory Apartment Ord.	10	\$40,000	\$40,000	\$40,000	\$20,000	\$40,000	\$20,000		\$200,000.00
127 Hardenburg Avenue	8	\$150,000	\$150,000						\$300,000.00
127 Hardenburgh Soft Costs	8	\$30,000							\$30,000.00
Group Home Assistance						\$140,000	\$140,000	\$133,970	\$413,970.42
Affordability Assistance									
Rental Assistance					\$10,000	\$10,000	\$10,000	\$10,000	\$40,000.00
HOA Assistance		\$4,000	\$4,000	\$4,000	\$4,000				\$16,000.00
Water Heater Replacement			\$10,000	\$10,000	\$10,000				\$30,000.00
Furnance & AC Replacement						\$15,000	\$15,000	\$15,000	\$45,000.00
Green Building Strategies				\$25,000	\$25,000				\$50,000.00
127 Hardenburgh VLI		\$200,000	\$200,000						\$400,000.00
Administration		\$27,500	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$26,500	\$154,000.00
<b>Total</b>		<b>\$451,500</b>	<b>\$424,000</b>	<b>\$99,000</b>	<b>\$89,000</b>	<b>\$225,000</b>	<b>\$205,000</b>	<b>\$185,470</b>	<b>\$1,678,970.42</b>

## VI. EXCESS OR SHORTFALL OF FUNDS

In the event of any unexpected revenue shortfall, where funds are not sufficient to implement the plan, the Borough of Demarest will approve a resolution of intent to bond.

In the event more funds than anticipated are collected, projected funds exceed the amount necessary to implement the Fair Share Plan, or the Borough of Demarest is reserving funds for affordable housing projects to meet a future affordable housing obligation, these excess funds will be used to offer additional group home assistance for new providers within the community.

## VII. BARRIER FREE ESCROW

Collection and distribution of barrier free funds shall be consistent with the Borough of Demarest's Affordable Housing Ordinance in accordance with N.J.A.C. 5:97-8.5.

## VIII. SUMMARY

The Borough of Demarest 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 Housing Plan Element and Fair Share Plan dated February 20, 2019.

The Borough of Demarest has a balance of \$1,281,243.54 as of December 31, 2018 and anticipates an additional \$397,726.88 in revenues through 2025 for a total of \$1,577,162.08. This Spending Plan demonstrates the Borough's commitment to expend \$1,577,162.08 through December 31, 2025, including a commitment to expend with respect to the following:

- Commitment to expend up to \$200,000 towards the creation of accessory apartments;
- Commitment to expend up to \$300,000 to incentivize the construction of 127 Hardenburgh Avenue;
- Commitment to expend up to \$30,000 for soft costs regarding 127 Hardenburgh Avenue;
- Commitment to expend up to \$413,970.42 to create new alternative living arrangements;
- Commitment to expend up to \$581,000 on affordability assistance; and
- Commitment to expend up to \$154,000 on administration.

SPENDING PLAN SUMMARY		
Balance as of December 31, 2018		\$1,281,243.54
Projected Revenue 2019-2025		
Development fees	+	\$393,750.00
Payments in lieu of construction	+	\$0.00
Other funds	+	\$0.00
Interest	+	\$3,976.88
TOTAL REVENUE		= \$1,678,970.42
Projected Expenditures 2019-2025		
Funds used for Projects		
1. Accessory Apartment Ordinance	-	\$200,000.00
2. 127 Hardenburgh Avenue	-	\$300,000.00
3. 127 Hardenburgh Ave. Soft Costs	-	\$30,000.00
4. Group Home Assistance	-	\$413,970.42
Affordability Assistance	-	\$581,000.00
Administration	-	\$154,000.00
Total Projected Expenditures		= \$1,678,970.42
Remaining Balance		= \$0.00

# 2019 AFFORDABLE HOUSING TRUST FUND SPENDING PLAN

Amendment #1

Borough of Demarest

Council Approval: July 29, 2019

Amendment #1 Council  
Approval: \_\_\_\_\_, 2020

## I. INTRODUCTION

The Borough of Demarest, Bergen County is in the process of preparing a new Housing Element and Fair Share Plan 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 March 10, 2015 Supreme Court Order. The Borough adopted a development fee ordinance on August 20, 2001. This original development fee ordinance was approved by COAH on September 27, 2001. The development fee ordinance was then updated in April of 2010 via Ordinance #971. COAH approved this updated ordinance with the Borough's Third Round petition. The amended development fee ordinance was approved by COAH on March 17, 2009.

## II. REVENUES FOR CERTIFICATION PERIOD

As of December 31, 2018, the Borough of Demarest has collected \$1,820,529.80 and expended \$539,286.26, resulting in a balance of \$1,281,243.54. All development fees, payments in lieu of constructing affordable units on site, funds from the sale of units with extinguished controls and interest generated by the fees are deposited in a separate interest-bearing affordable housing trust fund in Mariner's Bank for the purposes of affordable housing. These funds shall be spent in accordance with N.J.A.C. 5:97-8.7-8.9, as described in the sections that follow.

To calculate a projection of revenue anticipated during the period of Third Round (1999-2025), the Borough of Demarest considered the following:

### (a) Development fees:

- Residential and non-residential projects which have had development fees imposed upon them at the time of preliminary or final development approvals;
- All projects currently before the planning and zoning boards for development approvals that may apply for building permits and certificates of occupancy; and
- Future development that is likely to occur based on historical rates of development.

**(b) Payment in lieu (PIL):**

- Actual and committed payments in lieu (PIL) of construction from developers as follows: Payment in lieu from Sylco Investments 6, 8, 9, and 10, LLC (“Sylco”). Sylco will pay a total of \$1 million in lieu of five affordable units. The payment will be received in three installments, \$250,000 when site work commences, \$250,000 when the first building permit is issued, and \$500,000 when the tenth Certificate of Occupancy is issued.

**(c) Other funding sources:**

- Funds from other sources, including, but not limited to, the sale of units with extinguished controls, repayment of affordable housing program loans, rental income and proceeds from the sale of affordable units. No funds are anticipated at this time.

**(d) Projected interest:**

- Interest on the projected revenue in the municipal affordable housing trust fund at the current average interest rate.

The Borough of Demarest projects a total of \$1,407,826.88 in revenue to be collected between January 1, 2019 and December 31, 2025. This projected amount, when added to the Borough of Demarest’s trust fund balance as of July 27, 2018, results in an anticipated total revenue of \$2,689,070.42 available to fund and administer its affordable housing plan. All interest earned on the account shall be used only for the purposes of affordable housing.

PROJECTED REVENUES - AFFORDABLE HOUSING TRUST FUND								
Source of Funds	2019	2020	2021	2022	2023	2024	2025	Total
<b>(a) Development fees:</b>								
Development Pending Approval								\$0.00
Approved Development	\$22,500	\$22,500	\$22,500					\$67,500.00
Projected Residential Development	\$45,000	\$33,750	\$22,500	\$78,750	\$33,750	\$67,500	\$45,000	\$326,250.00
Projected Non-Res. Development								\$0.00
<b>(b) Payments in Lieu of Construction</b>								
			\$500,000	\$500,000				\$1,000,000.00
<b>(c) Other Funds</b>								
								\$0.00
<b>(d) Interest</b>								
	\$682	\$568	\$5,505	\$5,845	\$341	\$682	\$455	\$14,076.88
<b>Total</b>	<b>\$68,181.75</b>	<b>\$56,818.13</b>	<b>\$550,504.50</b>	<b>\$584,595.38</b>	<b>\$34,090.88</b>	<b>\$68,181.75</b>	<b>\$45,454.50</b>	<b>\$1,407,826.88</b>

\* For purposes of projecting revenues, we have utilized historic residential Certification of Occupancy data that occurred between 2010 and 2017. Projections assume the estimated value of a new home is \$750,000. The value is then multiplied by 1.5%.

### III. ADMINISTRATIVE MECHANISM TO COLLECT AND DISTRIBUTE FUNDS

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

**(a) Collection of development fee revenues:**

- Collection of development fee revenues shall be consistent with the Borough of Demarest’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) and with the Settlement Agreement, dated January 23, 2018.

**(b) Distribution of development fee revenues:**

- The Administration forwards a resolution to the governing body recommending the expenditure of development fee revenues as set forth in this spending plan. The governing body reviews the request for consistency with the

spending plan and adopts the recommendation by resolution. The release of the funds requires the adoption of the governing body resolution in accordance with the Court-approved spending plan. Once a request is approved by resolution, the Chief Financial Officer releases the requested revenue from the trust fund for the specific use approved in the governing body's resolution.

#### **IV. DESCRIPTION OF ANTICIPATED USE OF AFFORDABLE HOUSING FUNDS**

##### **(a) New Construction (N.J.A.C. 5:93-5.6)**

- The Borough of Demarest will reserve a minimum of \$175,000 and a maximum of \$300,000 to incentivize the construction of affordable units at 127 Hardenburgh Avenue.
- **127 Hardenburgh Avenue Soft Costs.** Demarest will dedicate up to \$30,000 to assist with soft costs, permit fees, escrow and professional fees to assist with the construction of this inclusionary development. If and when a development application is submitted, the Borough would enter into a Memorandum of Understanding and Agreement indicating the total required fees and escrow and the dollar amount the Borough is setting aside to assist with the soft costs. The Borough's funding would be utilized first as expenses are incurred. Once that amount is extinguished, the applicant would be responsible for any remaining permit fees, escrow, application fees, etc.

##### **(b) Alternative Living Arrangement (N.J.A.C. 5:93-5.8)**

- The Borough anticipates that a maximum of \$413,970.42 (depending on development fees collected) will be available to assist one or more group home providers that decide to locate within the municipality. The Borough will provide up to \$40,000 per eligible bedroom in exchange for a creditable unit with a 30-year deed restriction. This is not a mechanism in the HEFSP, but the Borough would like to capitalize upon the opportunity to generate this type of affordable housing due to the community's built-out nature.

##### **(c) Future Affordable Housing Opportunities**

- The Borough reserves the right to dedicate up to \$1,010,100 (depending on payment in lieu fees collected) towards future affordable housing opportunities. This may include, but is not limited to, market to affordable, veterans housing, senior housing, and supportive housing. This money could also be used to purchase additional

land in the downtown area to expand the 127 Hardenburgh Avenue project, create a new municipally-sponsored project, and/or fund any shortfall in funding for 127 Hardenburgh Avenue. It should be noted that this is an option the Borough may wish to pursue but is not built into the HEFSP. If the opportunity arises, the Borough would like the flexibility to take advantage of this mechanism to generate affordable housing due to its limited remaining vacant and developable land.

**(d) Affordability Assistance (N.J.A.C. 5:97-8.8)**

- Municipalities are required to spend a minimum of 30% of development fee revenue to render existing affordable units more affordable and one-third of that amount must be dedicated to very low-income households (i.e. households earning less than 30% of the regional median income). The actual affordability assistance minimums are calculated on an ongoing basis in the CTM system based on actual revenues.<sup>1</sup>
- All applications for the following programs can be attained at the municipal building or through the Borough's Administrative Agent. All applicants for the following programs will need to provide all required information as specified in the application and they will be required to be income-certified by the Borough's Administrative Agent to ensure the household's income is at or under 80% of median income. Assistance cannot and will not be considered to any household that does not meet the criteria or submit all required documents.
- According to the chart on page 7, the Borough of Demarest is required to dedicate \$579,692.65<sup>2</sup> from the affordable housing trust fund to render units more affordable, including \$193,230.88 to render units more affordable to households earning 30% or less of median income by region, as follows:
  - **Rental Assistance.** Demarest will set aside up to \$40,000 for rental assistance.<sup>3</sup> (This amount may increase depending on program interest.) The Borough does not currently contain any affordable rental units but expects the 95 County Road development and the 127 Hardenburgh Avenue development to be rental in

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<sup>1</sup> This assumes the Borough is permitted continued access to the CTM system. If not, the Borough will be required to track the minimums in-house.

<sup>2</sup> Borough staff provided the necessary inputs for this table.

<sup>3</sup>Note this figure will ultimately depend on the actual amount collected in development fees.

nature. Assistance will be provided on a first-come, first-served basis to income-eligible renters with good credit standing who qualify for an affordable unit. The Borough will provide a maximum amount equal to two months' rent per affordable unit/certified household in rental assistance. This will be a one-time only payment made payable to the landlord/management company as specified in the tenant's lease. Assistance will only be provided one-time to the affordable unit/household. However, a change in occupancy would allow a new tenant in a unit to take advantage of the program.

- **HOA Assistance.** Demarest will set aside a maximum of \$16,000 for HOA assistance. (This amount may increase depending on program interest.) The Borough has four existing affordable for-sale units within the community. The Borough anticipates on providing approximately \$4,000 in HOA assistance per unit. Assistance will be provided on a first-come, first-served basis to income-eligible homeowners. This will be a one-time only payment made payable to the Homeowner's Association/Management Company as specified in the homeowner's documentation. Preference will be given to homeowners whose fees are in arrears. Assistance will only be provided one-time to the affordable unit/household. However, a change in occupancy would allow a new homeowner in a unit to take advantage of the program.
  
- **Water Heater Replacement.** Demarest will set aside up to \$12,000 to replace water heaters in existing units that are more than eight years old.<sup>4</sup> (This amount may increase depending on program interest.) New water heaters are more energy efficient and will reduce the affordable households' utility expenses. Very-low, low or moderate income landlords/homeowners applying for this type of assistance will be required to submit three written estimates with detailed information about all costs. All permit fees will need to be included. Landlord/homeowner and installer will need to abide by all Borough and State Regulations. All new water heaters will need to be installed by licensed and insured entities that will ensure that the new water heater will meet all code and safety standards. Assistance will be provided on a first-come, first-served basis to existing income-eligible tenants/homeowners. The Borough will provide a maximum amount of \$2,000 per unit in assistance. Additionally, all owners of 100% affordable developments are also eligible for the program. Assistance will only be provided one-time to the certified applicant household and the unit.

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<sup>4</sup> Note this figure will ultimately depend on the actual amount collected in development fees.

- The Borough will target the existing very-low income developments to ensure compliance with the requirement to spend one-third of the affordability assistance on very-low income units.
  
- **Furnace and Air Conditioner Replacement.** Demarest will set aside up to \$40,000 to replace furnaces and air conditioners in existing units that are more than 10 years old.<sup>5</sup> (This amount may increase depending on program interest.) New furnaces and air conditioners are more energy efficient and will reduce the affordable households' utility expenses. Very-low, low or moderate income landlords/homeowners applying for this type of assistance will be required to submit three written estimates with detailed information about all costs. All permit fees will need to be included. Landlord/homeowner and installer will need to abide by all Borough and State Regulations. All furnaces and/or air conditioners will need to be installed by licensed and insured entities that will ensure that the new system will meet all code and safety standards. Assistance will be provided on a first-come, first-served basis to existing income-eligible tenants/homeowners. The Borough will provide a maximum amount of \$8,000 per unit in assistance. Additionally, all owners of 100% affordable developments are also eligible for the program. Assistance will only be provided one-time to the certified applicant household and the unit.
  - The Borough will target the existing very-low income developments to ensure compliance with the requirement to spend one-third of the affordability assistance on very-low income units.
  
- **Energy Efficiency.** Demarest will set aside up to \$33,000 to replace doors, windows, and/or insulation in existing units that are more than 10 years old. (This amount may increase depending on program interest.) New doors, windows, and/or insulation are more energy efficient and will reduce the affordable households' utility expenses. Very-low, low or moderate income landlords/homeowners applying for this type of assistance will be required to submit three written estimates with detailed information about all costs. All permit fees will need to be included. Landlord/homeowner and installer will need to abide by all Borough and State Regulations. All windows/doors/insulation will need to be installed by licensed and insured entities that will ensure that all code and safety standards are met. Assistance will be provided on a first-come, first-served basis to existing income-eligible tenants/homeowners. The Borough will provide a maximum amount of \$5,000

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<sup>5</sup> Note this figure will ultimately depend on the actual amount collected in development fees.

per unit in assistance. Additionally, all owners of 100% affordable developments are also eligible for the program. Assistance will only be provided one-time to the certified applicant household and the unit.

- The Borough will target the existing very-low income developments to ensure compliance with the requirement to spend one-third of the affordability assistance on very-low income units.

- **Green Building Strategies.** Demarest will set aside up to \$40,000 to fund one

or more solar panel installations on 100% affordable developments. Solar panels would reduce the building's utility expenses and make it more affordable for residents living within the structure. Assistance will be provided on a first-come, first-served basis to the existing 100% affordable facilities. The building owner will be required to submit three written estimates with detailed information about all costs. All permit fees will need to be included. The building owner and installer will need to abide by all Borough and State Regulations. All installations will need to be installed by insured entities that will ensure that the solar panel system will meet all code and safety standards.

- The Borough will target the existing very-low income developments to ensure compliance with the requirement to spend one-third of the affordability assistance on very-low income units.

- **127 Hardenburgh Avenue Very-Low Income Unit.** This site will be required to contain one very-low income unit. To help balance the development's pro-forma, the Borough will pay the developer a one-time payment of up to \$400,000 once the very-low income unit receives its certificate of occupancy. At the Borough's option, half of this payment may be released when the building permit is issued.

AFFORDABILITY ASSISTANCE CALCULATION			
Actual development fees through 12/31/2018			\$ 1,788,558.83
Development fees projected 2019-2025	+		\$ 393,750.00
Less housing activity expenditures through 12/31/2018	-		\$ (250,000.00)
		<b>Total</b>	<b>= \$ 1,932,308.83</b>
Calculate 30 percent	x .30 =		\$ 579,692.65
Less Affordability assistance expenditures through 12/31/2018	-		\$ -
<b>Projected Minimum Affordability Assistance Requirement 1/1/2019 through 12/31/2025</b>	<b>=</b>		<b>\$ 579,692.65</b>
Projected Minimum Very Low-Income Affordability Assistance Requirement 1/1/2019 through 12/31/2025	÷ 3 =		\$ 193,230.88

- The above programs will be administered by the Borough's Administrative Agent.

**(e) Administrative Expenses (N.J.A.C. 5:97-8.9)**

Municipalities are permitted to use affordable housing trust fund revenue for related administrative costs up to a 20% limitation pending funding availability after programmatic and affordability assistance expenditures. The actual administrative expense maximum is calculated on an ongoing basis in the CTM system based on actual revenues.<sup>6</sup>

The Borough of Demarest projects that \$356,385.08 will be available from the affordable housing trust fund to be used for administrative purposes. Projected administrative expenditures, subject to the 20% cap, are as follows:

- Borough Attorney, Engineer, Planner and Administrative Agent fees related to the administration and implementation of the Borough's affordable housing programs.
- Salaries and benefits for municipal employees for administration and implementation of the housing plan and programs.
- Municipal Housing Liaison training and on-going education.
- Completion of annual trust fund and affordable housing activity monitoring.
- Completion of very-low income monitoring every three years as detailed in the Settlement Agreement.
- Completion of the mid-point review due on July 1, 2020 as detailed in the Settlement Agreement.

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<sup>6</sup> This assumes the Borough is permitted continued access to the CTM system. If not, the Borough will be required to track the minimums in-house.

ADMINISTRATIVE EXPENSE CALCULATION		
Actual dev fees and interest thru 12/31/2018		\$1,820,529.80
Projected dev fees and interest 2019 thru 2025	+	\$407,826.88
Payments-in-lieu of construction and other deposits thru 12/31/2018	+	\$0.00
Payments-in-lieu of construction and other deposits 2019 thru 2025	+	\$1,000,000.00
Less RCA expenditures thru 12/31/2018	-	\$0.00
<b>Total</b>	<b>=</b>	<b>\$3,228,356.68</b>
Calculate 20 percent	x .20 =	\$645,671.34
Less admin expenditures thru 12/31/2018	-	\$ (289,286.26)
<b>Projected Maximum available for administrative expenses 1/1/2019 thru 12/31/2025</b>	<b>=</b>	<b>\$356,385.08</b>

## V. EXPENDITURE SCHEDULE

The Borough of Demarest intends to use affordable housing trust fund revenues for the creation and/or preservation of affordable housing units. It should be noted that the amount spent in a given year for any line item may actually span multiple years in reality. Money may be spent slower or faster than anticipated on page 10 – the table is merely an educated guess on the timing of the various programs. The table below provides an estimated timeline for expenditure and does not restrict the Borough from spending the money sooner or later in the Third Round period.

Projects/Programs	Number of Units Projected							
		2020	2021	2022	2023	2024	2025	Total
Accessory Apartment Ord.	10	\$20,000	\$40,000	\$40,000	\$40,000	\$40,000	\$20,000	\$200,000.00
127 Hardenburg Avenue	8	\$150,000	\$150,000					\$300,000.00
127 Hardenburgh Soft Costs	8	\$30,000						\$30,000.00
Group Home Assistance					\$140,000	\$140,000	\$133,970	\$413,970.42
Future Affordable Housing Opportunities				\$505,050	\$505,050			\$1,010,100.00
Affordability Assistance								
Rental Assistance				\$10,000	\$10,000	\$10,000	\$10,000	\$40,000.00
HOA Assistance		\$4,000	\$4,000	\$4,000	\$4,000			\$16,000.00
Water Heater Replacement			\$6,000	\$6,000				\$12,000.00
Furnance & AC Replacement					\$10,000	\$15,000	\$15,000	\$40,000.00
Energy Efficiency		\$5,000	\$5,000	\$10,000	\$10,000	\$3,000		\$33,000.00
Green Building Strategies			\$20,000	\$20,000				\$40,000.00
127 Hardenburgh VLI		\$200,000	\$200,000					\$400,000.00
Administration		\$30,000	\$25,000	\$25,000	\$25,000	\$22,500	\$26,500	\$154,000.00
<b>Total</b>		<b>\$439,000</b>	<b>\$450,000</b>	<b>\$620,050</b>	<b>\$744,050</b>	<b>\$230,500</b>	<b>\$205,470</b>	<b>\$2,689,070.42</b>

## VI. EXCESS OR SHORTFALL OF FUNDS

In the event of any unexpected revenue shortfall, where funds are not sufficient to implement the plan, the Borough of Demarest will approve a resolution of intent to bond.

In the event more funds than anticipated are collected, projected funds exceed the amount necessary to implement the Fair Share Plan, or the Borough of Demarest is reserving funds for affordable housing projects to meet a future affordable housing obligation, these excess funds will be used to offer additional group home assistance for new providers within the community.

## VII. BARRIER FREE ESCROW

Collection and distribution of barrier free funds shall be consistent with the Borough of Demarest's Affordable Housing Ordinance in accordance with N.J.A.C. 5:97-8.5.

## VIII. SUMMARY

The Borough of Demarest 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 Housing Plan Element and Fair Share Plan dated February 20, 2019.

The Borough of Demarest has a balance of \$1,281,243.54 as of December 31, 2018 and anticipates an additional \$1,407,826.88 in revenues through 2025 for a total of \$2,689,070.42. This Spending Plan demonstrates the Borough's commitment to expend \$2,689,070.42 through December 31, 2025, including a commitment to expend with respect to the following:

- Commitment to expend up to \$200,000 towards the creation of accessory apartments;
- Commitment to expend up to \$300,000 to incentivize the construction of 127 Hardenburgh Avenue;
- Commitment to expend up to \$30,000 for soft costs regarding 127 Hardenburgh Avenue;
- Commitment to expend up to \$413,970.42 to create new alternative living arrangements;
- Commitment to expend up to \$1,010,100 on future affordable housing opportunities;
- Commitment to expend up to \$581,000 on affordability assistance; and
- Commitment to expend up to \$154,000 on administration.

SPENDING PLAN SUMMARY		
Balance as of December 31, 2018		\$1,281,243.54
Projected Revenue 2019-2025		
Development fees	+	\$393,750.00
Payments in lieu of construction	+	\$1,000,000.00
Other funds	+	\$0.00
Interest	+	\$14,076.88
<b>TOTAL REVENUE</b>	<b>=</b>	<b>\$2,689,070.42</b>
Projected Expenditures 2019-2025		
Funds used for Projects		
1. Accessory Apartment Ordinance	-	\$200,000.00
2. 127 Hardenburgh Avenue	-	\$300,000.00
3. 127 Hardenburgh Ave. Soft Costs	-	\$30,000.00
4. Group Home Assistance	-	\$413,970.42
5. Future Affordable Housing Opportunities	-	\$1,010,100.00
Affordability Assistance	-	\$581,000.00
Administration	-	\$154,000.00
<b>Total Projected Expenditures</b>	<b>=</b>	<b>\$2,689,070.42</b>
<b>Remaining Balance</b>	<b>=</b>	<b>\$0.00</b>

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Appendix N.  
Spending Plan Resolution

**RESOLUTION OF THE DEMAREST BOROUGH COUNCIL APPROVING AND  
ADOPTING AN AFFORDABLE HOUSING SPENDING PLAN**

**WHEREAS**, in compliance with the Municipal Land Use Law N.J.S.A. 40:55D-1 et seq. And the Fair Housing Act N.J.S.A. 52:27D-201 et seq. the Borough adopted a development fee ordinance on August 20, 2001. This original development fee ordinance was approved by COAH on September 27, 2001. The development fee ordinance was then updated in April of 2010 via Ordinance #971. COAH approved this updated ordinance with the Borough's Third Round petition. The amended development fee ordinance was approved by COAH on March 17, 2009; and


**WHEREAS**, as a material term and condition of the Settlement Agreement in that certain litigation entitled In the matter of Declaratory Judgment by the Borough of Demarest, et als., Docket number BER-L-6301-15, which was settled by virtue of a Settlement Agreement dated December 27, 2017 and executed on January 23, 2018, and such settlement was approved by Court ruling of March 26, 2018, the Borough is required to adopt a new spending plan consistent with the settlement terms; and

**WHEREAS**, a document entitled '2019 Affordable Housing Trust Fund Spending Plan' was prepared and submitted to the Borough on July 20, 2019, for review and comment; and

**WHEREAS**, the Borough now seeks to approve and adopt said Spending Plan.

**NOW THEREFORE BE IT RESOLVED** that the Governing Body of the Borough of Demarest, Bergen County, State of New Jersey, hereby approves and adopts, and agrees to implement the 2019 Affordable Housing Trust Fund Spending Plan submitted by Maser Consulting and dated July 10, 2019.

I certify that this is a true copy of the resolution adopted by the Borough Council of the Borough of Demarest at its regularly scheduled meeting of July 29, 2019.

  
\_\_\_\_\_  
Susan Crosman, RMC  
Municipal Clerk

  
\_\_\_\_\_  
Melinda J. Iannuzzi-Mayor

7/29/19  
\_\_\_\_\_  
Date

\* \* \* \* \*

Moved by: Mr. Carroll  
Second by: Mrs. Hamilton

	Aye	Nay	Abstain
Carroll:	<u>✓</u>	___	___
Connelly:	<u>✓</u>	___	___
Fox:	<u>✓</u>	___	___
Hamilton:	<u>✓</u>	___	___
LaPira:	<u>✓</u>	___	___
Kurys:	<u>✓</u>	___	___
Mayor Iannuzzi:	___	___	___

**RESOLUTION OF THE DEMAREST BOROUGH COUNCIL APPROVING AND  
ADOPTING AN AMENDED AFFORDABLE HOUSING SPENDING PLAN**

**WHEREAS**, in compliance with the Municipal Land Use Law N.J.S.A. 40:55D-1 et seq. And the Fair Housing Act N.J.S.A. 52:27D-201 et seq. the Borough adopted a development fee ordinance on August 20, 2001. This original development fee ordinance was approved by COAH on September 27, 2001. The development fee ordinance was then updated in April of 2010 via Ordinance #971. COAH approved this updated ordinance with the Borough's Third Round petition. The amended development fee ordinance was approved by COAH on March 17, 2009; and

**WHEREAS**, as a material term and condition of the Settlement Agreement in that certain litigation entitled In the matter of Declaratory Judgment by the Borough of Demarest, et als., Docket number BER-L-6301-15, which was settled by virtue of a Settlement Agreement dated December 27, 2017 and executed on January 23, 2018, and such settlement was approved by Court ruling of March 26, 2018, the Borough was required to adopt a new spending plan consistent with the settlement terms; and


**WHEREAS**, an amendment to the Affordable Housing Spending Plan was required as part of the settlement of companion litigation entitled Sylco Investments, 6 LLC, et als. v. Borough of Demarest, Borough Council of the Borough of Demarest, bearing Docket number BER-L-6364-19 and consolidated with the above captioned litigation; and

**WHEREAS**, a document entitled '2019 Affordable Housing Trust Fund Spending Plan-Amendment #1' was prepared and submitted to the Borough on April 20, 2020, for review and comment; and

**WHEREAS**, the Borough now seeks to approve and adopt said Spending Plan.

**NOW THEREFORE BE IT RESOLVED** that the Governing Body of the Borough of Demarest, Bergen County, State of New Jersey, hereby approves and adopts, and agrees to implement the 2019 Affordable Housing Trust Fund Spending Plan Amendment #1, submitted by Maser Consulting and dated April 20, 2020.

I certify that this is a true copy of the resolution adopted by the Borough Council of the Borough of Demarest at its regularly scheduled meeting of April 27, 2020.

  
Susan Crosman, RMC  
Municipal Clerk

  
Melinda J. Iannuzzi-Mayor

April 27, 2020  
Date

\* \* \* \* \*

Moved by: Mr Carroll  
Second by: Mr. Connelly

	Aye	Nay	Abstain
Carroll:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Connelly:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fox:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamilton:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LaPira:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kurys:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Iannuzzi:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Appendix. O.  
Development Fee Ordinance

**ORDINANCE NO. 1067-19**

**BOROUGH OF DEMAREST  
BERGEN COUNTY, NEW JERSEY**

**AN ORDINANCE AMENDING CHAPTER 175 "ZONING", ARTICLE VIII "ADMINISTRATION" TO DELETE AND REPLACE SECTION 175-34 "DEVELOPMENT FEES FOR AFFORDABLE HOUSING" TO PROVIDE FOR THE COLLECTION OF DEVELOPMENT FEES IN SUPPORT OF AFFORDABLE HOUSING AS PERMITTED BY THE NEW JERSEY FAIR HOUSING ACT**

**WHEREAS**, 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"); and

**WHEREAS**, 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 was 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 were under the jurisdiction of COAH and that are now before a court of competent jurisdiction and have a Court-approved Spending Plan may retain fees collected from non-residential and residential development; and

**WHEREAS**, the Borough of Demarest received approval from COAH on September 27, 2001 to adopt a Development Fee Ordinance and on August 20, 2001 the Borough adopted said ordinance; and

**WHEREAS**, the Borough of Demarest received approval from COAH on March 17, 2009 to update its Development Fee Ordinance and in April of 2010 the Council adopted said ordinance; and

**WHEREAS**, the Borough of Demarest has prepared a Spending Plan to submit to the Court in connection with its pending declaratory judgment action concerning the Borough's affordable housing obligations, which incorporates the residential and non-residential development fees as set forth in this Ordinance.

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

Section 1: Chapter 175 of the Borough Code entitled "Zoning", Article VIII entitled "Administration" Subsection 34 entitled "Development Fees for Affordable Housing" is hereby deleted in its entirety and replaced to read as follows:

§175-34 Development Fees.

- A. Purpose. This section establishes standards for the collection, maintenance, and expenditure of development fees that are consistent with COAH's regulations developed in response to P.L. 2008, c. 46, Sections 8 and 32-38 (C. 52:27D-329.2) and the Statewide Non-Residential

Development Fee Act (C. 40:55D-8.1 through 8.7). Fees collected pursuant to this Ordinance shall be used for the sole purpose of providing very-low, low and moderate income housing in accordance with a Court-approved Spending Plan.

B. Basic Requirements.

(1) This Ordinance shall not be effective unless and until approved by the Superior Court in connection with Demarest's declaratory judgement action concerning its Third Round affordable housing obligation.

(2) The Borough of Demarest shall not spend development fees until the Superior Court has approved a Spending Plan for spending such fees.

C. Definitions. The following terms when used in this Ordinance shall have the following meanings:

**AFFORDABLE HOUSING DEVELOPMENT**

A development included in or approved pursuant to the Housing Element and Fair Share Plan or otherwise intended to address the Borough's fair share obligation, and includes, but is not limited to, an inclusionary development, a municipal construction project or a 100% affordable housing development.

**COAH**

The Council on Affordable Housing, as established by the New Jersey Fair Housing Act, or any successor agency charged with the administration of the Fair Housing Act.

**COURT**

The Superior Court of New Jersey, Law Division, Bergen County.

**DEVELOPMENT FEE**

Money paid by a developer for the improvement of property as authorized by Holmdel Builder's Association v. Holmdel Borough, 121 N.J. 550 (1990) and the Fair Housing Act of 1985, N.J.S.A. 52:27d-301, et seq., and regulated by applicable COAH Rules.

**DEVELOPER**

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

**EQUALIZED ASSESSED VALUE**

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

**GREEN BUILDING STRATEGIES**

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.

D. Residential Development Fees.

(1) Imposition of Fees.

- (a) Within the Borough of Demarest, 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 1.5% of the equalized assessed value for all new residential development provided no increased density is permitted.
- (b) When an increase in residential density is permitted pursuant to a "d" variance granted under N.J.S.A. 40:55D-70d(5), developers shall be required to pay a "bonus" development fee of 6% 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.

(2) Eligible Exactions, Ineligible Exactions and Exemptions for Residential Developments.

- (a) Affordable housing developments and/or developments where the developer has made a payment in lieu of on-site construction of affordable units, if permitted by Ordinance or by Agreement with the Borough of Demarest, shall be exempt from the payment of development fees.
- (b) 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.
- (c) Development fees shall not be collected for the expansion of an existing dwelling unit and/or for the construction of an accessory use.
- (d) Owners of residential structures demolished and replaced in-kind as a result of a natural disaster shall be exempt from paying a development fee.

E. Non-Residential Development Fees.

(1) Imposition of Fees.

- (a) Within all zoning districts, non-residential developers, except for developers of the types of developments specifically exempted below, shall pay a fee equal to 2.5% of the equalized assessed value of the land and improvements, for all new non-residential construction on an unimproved lot or lots.
- (b) 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 2.5% of the increase in equalized assessed value resulting from any additions to existing structures to be used for non-residential purposes.
- (c) Development fees shall be imposed and collected when an existing structure is demolished and replaced. The development fee of 2.5% shall be calculated on the difference between the equalized assessed value of the pre-existing land and improvements and the equalized assessed value of the newly improved structure, i.e. land and improvements, and such calculation shall be made at the time a final Certificate of Occupancy is issued. If the calculation required under this Section results in a negative number, the non-residential development fee shall be zero.

(2) Eligible Exactions, Ineligible Exactions and Exemptions for Non-residential Development.

- (a) The non-residential portion of a mixed-use inclusionary or market rate development shall be subject to a 2.5% development fee, unless otherwise exempted below.
- (b) The 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.
- (c) Non-residential developments shall be exempt from the payment of non-residential development fees in accordance with the exemptions required pursuant to the Statewide Non-Residential Development Fee Act (N.J.S.A. 40:55D-8.1 through 8.7), as specified in Form N-RDF "State of New Jersey Non-Residential Development Certification/ Exemption". Any exemption claimed by a developer shall be substantiated by that developer.
- (d) A developer of a non-residential development exempted from the non-residential development fee pursuant to the Statewide Non-Residential Development Fee Act shall be subject to the fee at such time as the basis for the exemption no longer applies and shall make the payment of the non-residential development fee, in that event, within three years after that event or after the issuance of the final Certificate of Occupancy for the non-residential development, whichever is later.

(e) 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 Demarest as a lien against the real property of the owner.

F. Collection Procedures.

- (1) 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.
- (2) For non-residential developments only, the developer shall also be provided with a copy of Form N-RDF "State of New Jersey Non-Residential Development Certification/Exemption" to be completed as per the instructions provided. The developer of a non-residential development shall complete Form N-RDF as per the instructions provided. The Construction Official shall verify the information submitted by the non-residential developer as per the instructions provided in the Form N-RDF. The Tax Assessor shall verify exemptions and prepare estimated and final assessments as per the instructions provided in Form N-RDF.
- (3) The Construction Official responsible for the issuance of a 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.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) Should the Borough of Demarest fail to determine or notify the developer of the amount of the development fee within 10 business days of the request for final inspection, the developer may estimate the amount due and pay that estimated amount consistent with the dispute process set forth in Subsection b. of Section 37 of P.L. 2008, c.46 (C.40:55D-8.6).

(8) Except as provided in Section 175-34 E(1)(c) hereinabove, 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.

(9) Appeal of Development Fees.

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

(b) A developer may challenge non-residential development fees imposed by filing a challenge with the Director of the Division of Taxation. Pending a review and determination by the Director, which shall be made within 45 days of receipt of the challenge, collected fees shall be placed in an interest bearing escrow account by the Borough of Demarest. 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.

G. Affordable Housing Trust Fund.

(1) There is hereby created a separate, interest-bearing Affordable Housing Trust Fund to be maintained by the Chief Financial Officer of the Borough of Demarest for the purpose of depositing development fees collected from residential and non-residential developers and proceeds from the sale of units with extinguished controls.

(2) The following additional funds shall be deposited in the Affordable Housing Trust Fund and shall at all times be identifiable by source and amount:

(a) Payments in lieu of on-site construction of a fraction of an affordable unit, where permitted by Ordinance or by Agreement with the Borough of Demarest;

(b) Funds contributed by developers to make 10% of the adaptable entrances in a townhouse or other multistory attached dwelling unit development accessible;

(c) Rental income from municipally operated units;

(d) Repayments from affordable housing program loans;

- (e) Recapture funds;
  - (f) Proceeds from the sale of affordable units; and
  - (g) Any other funds collected in connection with Demarest's affordable housing program.
- (3) In the event of a failure by the Borough of Demarest to comply with trust fund monitoring and reporting requirements or to submit accurate monitoring reports; or a failure to comply with the conditions of the judgment of compliance or a revocation of the judgment of compliance; or a failure to implement the approved Spending Plan and to expend funds within the applicable required time period as set forth in *In re Tp. of Monroe*, 442 N.J. Super. 565 (Law Div. 2015) (aff'd 442 N.J. Super. 563); or the expenditure of funds on activities not approved by the Court; or for other good cause demonstrating the unapproved use(s) of funds, the Court may authorize the State of New Jersey, Department of Community Affairs ("DCA"), Division of Local Government Services ("LGS"), to direct the manner in which the funds in the Affordable Housing Trust Fund shall be expended, provided that all such funds shall, to the extent practicable, be utilized for affordable housing programs within the Borough of Demarest, or, if not practicable, then within the County.

Any party may bring a motion before the Superior Court presenting evidence of such condition(s), and the Court may, after considering the evidence and providing the municipality a reasonable opportunity to respond and/or to remedy the non-compliant condition(s), and upon a finding of continuing and deliberate non-compliance, determine to authorize LGS to direct the expenditure of funds in the Trust Fund. The Court may also impose such other remedies as may be reasonable and appropriate to the circumstances.

- (4) Interest accrued in the Affordable Housing Trust Fund shall only be used to fund eligible affordable housing activities approved by COAH or the Court.

#### H. Use of Funds.

- (1) The expenditure of all funds shall conform to a Spending Plan approved by the Court. Funds deposited in the Affordable Housing Trust Fund may be used for any activity approved by the Court to address the Borough of Demarest'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 permitted by the Court and specified in the approved Spending Plan.

- (2) Funds shall not be expended to reimburse the Borough of Demarest for past housing activities.
- (3) At least 30% 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% or less of the median income for Housing Region 1, in which Demarest is located.
  - (a) Affordability assistance programs may include, but are not limited to, 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. The specific programs to be used for affordability assistance shall be identified and described within the Spending Plan.
  - (b) Affordability assistance to households earning 30% or less of median income may include, but are not limited to, buying down the cost of low or moderate income units in the municipal Fair Share Plan to make them affordable to households earning 30% or less of median income. The specific programs to be used for very low income affordability assistance shall be identified and described within the Spending Plan.
  - (c) Payments in lieu of constructing affordable housing units on site, if permitted by Ordinance or by Agreement with the Borough of Demarest, and funds from the sale of units with extinguished controls shall be exempt from the affordability assistance requirement.
- (4) The Borough of Demarest may contract with a private or public entity to administer any part of its Housing Element and Fair Share Plan, including its programs for affordability assistance.
- (5) No more than 20% of all revenues collected from development fees may be expended on administration, including, but not limited to, salaries and benefits for municipal employees or 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 or a rehabilitation program.
  - (a) In the case of a rehabilitation program, the administrative costs of the rehabilitation program shall be included as part of the 20% of collected development fees that may be expended on administration.

- (b) Administrative funds may be used for income qualification of households, monitoring the turnover of sale and rental units, and compliance with monitoring requirements. Legal or other fees related to litigation opposing affordable housing sites or related to securing or appealing a judgment from the Court are not eligible uses of the Affordable Housing Trust Fund.
- I. Monitoring. The Borough of Demarest shall provide annual reporting of Affordable Housing Trust Fund activity to the New Jersey DCA, COAH, LGS, or other entity designated by the State of New Jersey, with a copy provided to Fair Share Housing Center and posted on the municipal website, using forms developed for this purpose by the New Jersey DCA, COAH or LGS. The reporting shall include an accounting of all Affordable Housing Trust Fund activity, including the sources and amounts of funds collected and the amounts and purposes for which any funds have been expended.
- J. Ongoing Collection of Fees.
  - (1) The ability for the Borough of Demarest to impose, collect and expend development fees shall be permitted through the expiration of the repose period covered by its Judgment of Compliance and shall continue thereafter so long as the Borough of Demarest has filed an adopted Housing Element and Fair Share Plan with the Court or with a designated State administrative agency, has petitioned for a Judgment of Compliance from the Court or for Substantive Certification or its equivalent from a State administrative agency authorized to approve and administer municipal affordable housing compliance and has received approval of its Development Fee Ordinance from the entity that will be reviewing and approving the Housing Element and Fair Share Plan
  - (2) If the Borough of Demarest is not pursuing authorization to impose and collect development fees after the expiration of its Judgment of Compliance, it may be subject to forfeiture of any or all funds remaining within its Affordable Housing Trust Fund. Any funds so forfeited shall be deposited into the "New Jersey Affordable Housing Trust Fund" established pursuant to Section 20 of P.L. 1985, c. 222 (C. 52:27D-320).
  - (3) After the expiration of the Judgment of Compliance, if the Borough does not pursue or obtain continued authorization, the Borough of Demarest shall not impose a residential development fee on a development that receives preliminary or final site plan approval, retroactively impose a development fee on such a development, or expend any of its collected development fees.

## Section 2. Severability

If any section, subsection, paragraph, sentence or other part of this Ordinance is adjudged unconstitutional or invalid, such judgement shall not affect or invalidate the remainder of the Ordinance, but shall be confined in its effect to this section, subsection, paragraph sentence or other part of this Ordinance directly involved in the controversy with respect to which said judgement shall have been rendered, and all other provisions of this Ordinance shall remain in full force and effect.

Section 3. 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 4. Effective Date.

This Ordinance shall take effect immediately upon final adoption and publication in the manner prescribed by law, and its provisions shall apply to all building permits applied for on or after the date of adoption and publication hereof as prescribed by law.

BOROUGH OF DEMAREST

By:

  
Melinda Iannuzzi, Mayor

ATTEST:

  
Susan Crosman, RMC, Borough Clerk

Introduced: June 24, 2019

Adopted: July 29, 2019

Appendix P.

Municipal Housing Liaison Resolution

RESOLUTION

**BE IT RESOLVED** by the Borough Council of the Borough of Demarest that the appointment of Susan Crosman as Municipal Housing Liaison Officer, made by the Mayor, be and the same is hereby confirmed, term to expire December 31, 2020.

\* \* \* \* \*

I, Susan Crosman, Borough Clerk, do hereby certify that the foregoing is a true copy of a resolution by the Mayor and Council at a meeting held January 1, 2020.

  
\_\_\_\_\_  
Susan Crosman, RMC

Appendix Q.

Administrative Agent Resolution

**RESOLUTION OF THE MAYOR AND COUNCIL OF THE BOROUGH  
OF DEMAREST**

**AWARDING CONTRACT FOR AFFORDABLE HOUSING ADMINISTRATIVE  
AGENT TO PIAZZA & ASSOCIATES, INC.**

**WHEREAS**, the Borough requires the services of an Administrative Agent to handle its affordable housing rental program; and

**WHEREAS**, qualifications were solicited from qualified service providers as the contract may exceed \$17,500.00 per year; and

**WHEREAS**, the Borough seeks to award a contract for such Administrative Agent services; and

**WHEREAS**, Piazza & Associates has submitted a qualifications package and appears to have the requisite background, education and experience to provide the required services; and

**WHEREAS**, funds are available for this purpose from the Affordable Housing Trust Fund or such other account as may be appropriate, as appears by the Chief Financial Officer's certification.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Council of the Borough of Demarest, County of Bergen and State of New Jersey, that Piazza & Associates, 216 Rockingham Row, Princeton, New Jersey 08540, be and is hereby appointed as Administrative Agent for Affordable Housing issues in and for the Borough of Demarest, with compensation as set forth in its qualification submission, for a term ending on December 31, 2020, effective on the date of adoption hereof; and

**BE IT FURTHER RESOLVED** that the Mayor and Borough Clerk be and are hereby authorized to execute this resolution immediately to effectuate said appointment on the date set forth hereon.

I hereby certify the foregoing to be a true copy of a resolution adopted by the Borough of Demarest Council at a meeting held on January 1, 2020..

ATTEST:

  
Susan Crosman, R.M.C.- Borough Clerk

Appendix R.  
Affirmative Marketing Plan

**BOROUGH OF DEMAREST  
BERGEN COUNTY**

**RESOLUTION ADOPTING THE AMENDED 'AFFIRMATIVE MARKETING PLAN'  
FOR THE BOROUGH OF DEMAREST**

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

**WHEREAS**, an Affirmative Marketing Plan has been prepared for the Borough and originally adopted on July 29, 2019; and

**WHEREAS**, an amended Affirmative Marketing Plan dated January, 2020, has been prepared for the Borough; and

**WHEREAS**, the amended Affirmative Marketing Plan details the mechanisms to be employed in advising the public of the availability of affordable units within the Borough, which include advertising within the print media as well as the contacting of companies and firms; and

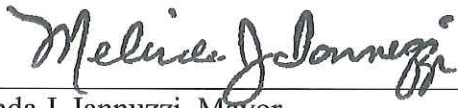
**WHEREAS**, the amended Affirmative Marketing Plan complies with the Affordable Housing Ordinance, specifically, Chapter 145, Article 5.3 entitled "Affirmative Marketing Requirements" and the Operating Manual for the administration of affordable units in compliance with the Uniform Housing Affordability Controls; and

**WHEREAS**, the amended Affirmative Marketing Plan also includes notifying community groups and organizations within the Housing Region pertaining to the availability of affordable housing units; and


**WHEREAS**, the Governing Body has reviewed the amended Affirmative Marketing Plan and determined same to be consistent with the requirements of UHAC.

**NOW, THEREFORE, BE IT RESOLVED**, by the Borough Council of the Borough of Demarest, County of Bergen, that the Mayor and Council has hereby determined that the amended Affirmative Marketing Plan is in accordance with the applicable requirements and does hereby adopt the attached amended Affirmative Marketing Plan.

Approved this 13<sup>th</sup> day of February, 2020

  
\_\_\_\_\_  
Melinda J. Iannuzzi, Mayor

Attest:

  
\_\_\_\_\_  
Susan Crosman, RMC  
Municipal Clerk

\* \* \* \* \*

Moved by: Mr. Carroll  
Second by: Mrs Hamilton

	Aye	Nay	Abstain
Carroll:	✓		
Connelly:	✓		
Fox:	✓		
Hamilton:	✓		
LaPira:	✓		
Kurys:	✓		

Mayor Iannuzzi:



<b>X</b>	Once at the start of the affirmative marketing process with additional monthly advertising as necessary	Star-Ledger	Northern and Central New Jersey
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**TARGETS PARTIAL HOUSING REGION 1**

Daily Newspaper

<b>X</b>	Once at the start of the affirmative marketing process with additional monthly advertising as necessary	Record, The	Bergen
<input type="checkbox"/>		Jersey Journal	Hudson
<input type="checkbox"/>		Herald News	Passaic
<input type="checkbox"/>		New Jersey Herald	Sussex

**TARGETS PARTIAL HOUSING REGION 1**

Non-Daily Newspaper

	DURATION & FREQUENCY OF OUTREACH	NAMES OF REGIONAL NEWSPAPER(S)	CIRCULATION AREA
<input type="checkbox"/>		Bayonne Community News	Hudson
<input type="checkbox"/>		Northern Valley Suburbanite	Northern Bergen
<input type="checkbox"/>		Teaneck Suburbanite	Teaneck, Bergen
<input type="checkbox"/>		Twin Boro News	Northern Bergen
<input type="checkbox"/>		Shopper News	Bergen
<input type="checkbox"/>		The Ramsey Reporter	Ramsey, Bergen
<input type="checkbox"/>		The Town Journal	Franklin Lakes, Bergen
<input type="checkbox"/>		The Village Gazette	Ridgewood, Bergen
<input type="checkbox"/>		Messenger	Garfield, Bergen
<input type="checkbox"/>		Observer	Hasbrouck Heights, Bergen
<input type="checkbox"/>		Weekly News	Hasbrouck Heights, Bergen
<input type="checkbox"/>		Hawthorne Press	Hawthorne, Passaic
<input type="checkbox"/>		Journal America	Passaic
<input type="checkbox"/>		Hoboken Reporter	Hoboken, Hudson
<input type="checkbox"/>		Hudson Current	Hudson
<input type="checkbox"/>		Jersey City Register	Hudson
<input type="checkbox"/>		The Shoppers' Friend	Sussex

<input type="checkbox"/>		The Commercial Leader	Lyndhurst, Bergen
<input type="checkbox"/>		North Bergen Register	Hudson
<input type="checkbox"/>		Secaucus Reporter	Secaucus, Hudson
<input type="checkbox"/>		Weehawken Reporter	Weehawken, Hudson
<input type="checkbox"/>		West New York/Union City Reporter	West New York/Union City, Hudson
<input type="checkbox"/>		Observer	Hudson
<input type="checkbox"/>		The Commercial Leader	Lyndhurst, Bergen
<input type="checkbox"/>		The Leader Free Press	Lyndhurst, Bergen
<input type="checkbox"/>		News Leader of Rutherford	Rutherford, Bergen
<input type="checkbox"/>		North Arlington Leader	North Arlington, Bergen
<input type="checkbox"/>		Our Town	Maywood, Bergen
<input type="checkbox"/>		The Ridgewood Times – Zone 2	Midland Park/Ridgewood, Bergen
<input type="checkbox"/>		The Villadom Times Midland Park	Midland Park/Ridgewood, Bergen
<input type="checkbox"/>		The Palisadian	Bergen
<input type="checkbox"/>		Aim Community News/Aim Action Ads	Passaic
<input type="checkbox"/>		Shoppers Guide to Sussex County	Sussex
<input type="checkbox"/>		Bergen News	Bergen
<input type="checkbox"/>		Press Journal	Palisades Park, Bergen
<input type="checkbox"/>		Korean Bergen News	Bergen
<input type="checkbox"/>		Sun Bulletin	Bergen
<input type="checkbox"/>		News Beacon	Paramus
<input type="checkbox"/>		Slovak Catholic Falcon	(Slovak/English) Passaic
<input type="checkbox"/>		Independence News	Passaic
<input type="checkbox"/>		Home and Store News	Bergen
<input type="checkbox"/>		Our Town	Northern Bergen
<input type="checkbox"/>		The Glen Rock Gazette	Glen Rock, Bergen
<input type="checkbox"/>		Ridgewood News	Ridgewood, Bergen
<input type="checkbox"/>		Suburban News	Northern Bergen
<input type="checkbox"/>		Town News	Northern Bergen
<input type="checkbox"/>		Wyckoff Suburban News	Wyckoff, Bergen

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

**TARGETS ENTIRE HOUSING REGION 1**

	<b>DURATION &amp; FREQUENCY OF OUTREACH</b>	<b>NAMES OF REGIONAL TV STATION(S)</b>	<b>CIRCULATION AREA AND/OR RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE</b>
<input type="checkbox"/>		2 WCBS-TV Cbs Broadcasting Inc.	NYC Metropolitan Area
<input type="checkbox"/>		4 WNBC NBC Telemundo License Co. (General Electric)	NYC Metropolitan Area
<input type="checkbox"/>		5 WNYW Fox Television Stations, Inc. (News Corp.)	NYC Metropolitan Area
<input type="checkbox"/>		7 WABC-TV American Broadcasting Companies, Inc (Walt Disney)	NYC Metropolitan Area
<input type="checkbox"/>		11 WPIX Wpix, Inc. (Tribune)	NYC Metropolitan Area
<input type="checkbox"/>		13 Wpix, Inc. (Tribune) Educational Broadcasting Corporation	NYC Metropolitan Area
<input type="checkbox"/>		25 WNYE-TV New York City Dept. Of Info Technology & Telecommunications	NYC Metropolitan Area

<input type="checkbox"/>		31 WPXN-TV Paxson Communications License Company, Llc	NYC Metropolitan Area
<input type="checkbox"/>		41 WXTV Wxtv License Partnership, G.p. (Univision Communications Inc.)	NYC Metropolitan Area, Spanish- language
<input type="checkbox"/>		47 WNJU NBC Telemundo License Co. (General Electric)	NYC Metropolitan Area, Spanish- language
<input type="checkbox"/>		50 WNJN New Jersey Public Broadcasting Authority	New Jersey
<input type="checkbox"/>		62 WRNN-TV Wrnn License Company, Llc	Hudson Valley
<input type="checkbox"/>		63 WMBC-TV Mountain Broadcating Corporation	Northern New Jersey, Various ethnic
<input type="checkbox"/>		66 WFME-TV Family Stations Of New Jersey, Inc.	Northern New Jersey, Christian
<input type="checkbox"/>		68 WFUT-TV Univision New York Llc	NYC Metropolitan Area, Spanish- language
<b>TARGETS PARTIAL HOUSING REGION 1</b>			
<input type="checkbox"/>		8 WTNH Wtnh Broadcasting, Inc. (LIN TV Corp.)	Bergen
<input type="checkbox"/>		49 WEDW Connecticut Public Broadcasting, Inc.	Bergen
<input type="checkbox"/>		17 WEBR-CA K Licensee, Inc.	Bergen, Hudson (Christian)
<input type="checkbox"/>		26 WNXV-LP Island Broadcasting Company	Bergen, Hudson
<input type="checkbox"/>		32 WXNY-LP Island Broadcasting Company	Bergen, Hudson
<input type="checkbox"/>		35 WNYX-LP Island Broadcasting Company	Bergen, Hudson
<input type="checkbox"/>		39 WNYN-LP Island Broadcasting Company	Bergen, Hudson (Spanish)
<input type="checkbox"/>		21 WLIW Educational Broadcasting Corporation	Bergen, Hudson, Passaic
<input type="checkbox"/>		60 W60AI Ventana Television, Inc.	Bergen, Hudson, Passaic
<input type="checkbox"/>		6 WNYZ-LP Island Broadcasting Co.	Bergen, Sussex
<input type="checkbox"/>		22 WMBQ-CA Renard Communications Corp.	Hudson
<input type="checkbox"/>		34 WPXO-LP Paxson Communications License Company, Llc	Hudson
<input type="checkbox"/>		42 WKOB-LP Nave Communications, Llc	Hudson (Christian)
<input type="checkbox"/>		3 WBQM-LP Renard Communications Corp.	Hudson, Sussex
<input type="checkbox"/>		52 WNJT New Jersey Public Broadcasting Authority	Hudson, Sussex

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

	<b>DURATION &amp; FREQUENCY OF OUTREACH</b>	<b>NAMES OF CABLE PROVIDER(S)</b>	<b>BROADCAST AREA</b>
<b>TARGETS PARTIAL HOUSING REGION 1</b>			
<b>X</b>		Time Warner Cable of Bergen & Hudson Counties	Partial Bergen
<input type="checkbox"/>		Comcast of the Meadowlands	Partial Bergen
<input type="checkbox"/>		Cablevision of New Jersey, Oakland, Ramapo, and Rockland	Partial Bergen
<input type="checkbox"/>		US Cable of Paramus-Hillsdale	Partial Bergen
<input type="checkbox"/>		Cablevision of NJ (Bayonne System), Hudson	Partial Hudson
<input type="checkbox"/>		Comcast of Jersey City, Meadowlands, NJ (Union System)	Partial Hudson
<input type="checkbox"/>		Time Warner Cable of Bergen & Hudson Counties	Partial Hudson
<input type="checkbox"/>		Cablevision of Oakland, Paterson	Partial Passaic
<input type="checkbox"/>		Hometown Online	Partial Passaic
<input type="checkbox"/>		Cable Vision of Morris, Warwick	Partial Sussex

<input type="checkbox"/>		Hometown Online	Partial Sussex
<input type="checkbox"/>		Service Electric Broadband Cable	Partial Sussex
<input type="checkbox"/>		Time Warner Cable of Bergen & Hudson Counties	Partial Bergen
<input type="checkbox"/>		Comcast of the Meadowlands	Partial Bergen
<input type="checkbox"/>		Cablevision of New Jersey, Oakland, Ramapo, and Rockland	Partial Bergen
<input type="checkbox"/>		US Cable of Paramus-Hillsdale	Partial Bergen
<input type="checkbox"/>		Cablevision of NJ (Bayonne System), Hudson	Partial Hudson
<input type="checkbox"/>		Comcast of Jersey City, Meadowlands, NJ (Union System)	Partial Hudson
<input type="checkbox"/>		Time Warner Cable of Bergen & Hudson Counties	Partial Hudson
<input type="checkbox"/>		Cablevision of Oakland, Paterson	Partial Passaic
<input type="checkbox"/>		Hometown Online	Partial Passaic
<input type="checkbox"/>		Cable Vision of Morris, Warwick	Partial Sussex
<input type="checkbox"/>		Hometown Online	Partial Sussex
<input type="checkbox"/>		Service Electric Broadband Cable	Partial Sussex
<input type="checkbox"/>		Time Warner Cable of Bergen & Hudson Counties	Partial Bergen
<input type="checkbox"/>		Comcast of the Meadowlands	Partial Bergen
<input type="checkbox"/>		Cablevision of New Jersey, Oakland, Ramapo, and Rockland	Partial Bergen
<input type="checkbox"/>		US Cable of Paramus-Hillsdale	Partial Bergen
<input type="checkbox"/>		Cablevision of NJ (Bayonne System), Hudson	Partial Hudson
<input type="checkbox"/>		Comcast of Jersey City, Meadowlands, NJ (Union System)	Partial Hudson
<input type="checkbox"/>		Time Warner Cable of Bergen & Hudson Counties	Partial Hudson
<input type="checkbox"/>		Cablevision of Oakland, Paterson	Partial Passaic
<input type="checkbox"/>		Hometown Online	Partial Passaic
<input type="checkbox"/>		Cable Vision of Morris, Warwick	Partial Sussex
<input type="checkbox"/>		Hometown Online	Partial Sussex
<input type="checkbox"/>		Service Electric Broadband Cable	Partial Sussex

	DURATION & FREQUENCY OF OUTREACH	NAMES OF REGIONAL RADIO STATION(S)	BROADCAST AREA AND/OR RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE
<b>TARGETS ENTIRE HOUSING REGION 1</b>			
AM			
<input type="checkbox"/>		WFAN 660	
<input type="checkbox"/>		WOR 710	
<input type="checkbox"/>		WABC 770	
<input type="checkbox"/>		WCBS 880	
<input type="checkbox"/>		WBBR 1130	
FM			
<input checked="" type="checkbox"/>		WFNY-FM 92.3	
<input type="checkbox"/>		WPAT-FM 93.1	Spanish
<input type="checkbox"/>		WNYC-FM 93.9	
<input type="checkbox"/>		WFME 94.7	Christian
<input type="checkbox"/>		WPLJ 95.5	
<input type="checkbox"/>		WQXR-FM 96.3	
<input type="checkbox"/>		WQHT 97.1	
<input type="checkbox"/>		WSKQ-FM 97.9	Spanish
<input type="checkbox"/>		WAWZ 99.1	Christian
<input type="checkbox"/>		WBAI 99.5	
<input type="checkbox"/>		WHTZ 100.3	
<input type="checkbox"/>		WHUD 100.7	
<input type="checkbox"/>		WCBS-FM 101.1	
<input type="checkbox"/>		WQCD 101.9	
<input type="checkbox"/>		WNEW 102.7	
<input type="checkbox"/>		WKTU 103.5	
<input type="checkbox"/>		WAXQ 104.3	
<input type="checkbox"/>		WWPR-FM 105.1	
<input type="checkbox"/>		WLTW 106.7	
<input type="checkbox"/>		WBLS 107.5	

<b>TARGETS PARTIAL HOUSING REGION 1</b>			
<b>AM</b>			
<input type="checkbox"/>		WEEX 1230	Bergen
<input type="checkbox"/>		WKDM 1380	Bergen, Hudson (Chinese/ Mandarin)
<input type="checkbox"/>		WMCA 570	Bergen, Hudson, Passaic (Christian)
<input type="checkbox"/>		WNYC 820	Bergen, Hudson, Passaic
<input type="checkbox"/>		WRKL 910	Bergen, Hudson, Passaic (Polish)
<input type="checkbox"/>		WPAT 930	Bergen, Hudson, Passaic (Caribbean, Mexican, Mandarin)
<input type="checkbox"/>		WWDJ 970	Bergen, Hudson, Passaic (Christian)
<input type="checkbox"/>		WINS 1010	Bergen, Hudson, Passaic
<input type="checkbox"/>		WEPN 1050	Bergen, Hudson, Passaic
<input type="checkbox"/>		WVNJ 1160	Bergen, Hudson, Passaic
<input type="checkbox"/>		WLIB 1190	Bergen, Hudson, Passaic (Christian)
<input type="checkbox"/>		WADO 1280	Bergen, Hudson, Passaic (Spanish)
<input type="checkbox"/>		WWRV 1330	Bergen, Hudson, Passaic (Spanish)
<input type="checkbox"/>		WNSW 1430	Bergen, Hudson, Passaic (Portuguese)
<input type="checkbox"/>		WZRC 1480	Bergen, Hudson, Passaic (Chinese/Cantonese)
<input type="checkbox"/>		WQEW 1560	Bergen, Hudson, Passaic
<input type="checkbox"/>		WWRL 1600	Bergen, Hudson, Passaic
<input type="checkbox"/>		WWRU 1660	Bergen, Hudson, Passaic (Korean)
<input type="checkbox"/>		WMTR 1250	Passaic
<input type="checkbox"/>		WGHT 1500	Passaic
<input type="checkbox"/>		WNNJ 1360	Sussex
<b>FM</b>			
<input type="checkbox"/>		WSOU 89.5	Bergen, Hudson
<input type="checkbox"/>		WCAA 105.9	Bergen, Hudson (Latino)
<input type="checkbox"/>		WBGO 88.3	Bergen, Hudson, Passaic
<input type="checkbox"/>		WFDU 89.1	Bergen, Hudson, Passaic
<input type="checkbox"/>		WKCR-FM 89.9	Bergen, Hudson, Passaic
<input type="checkbox"/>		WNYU-FM 89.1	Bergen, Hudson, Passaic
<input type="checkbox"/>		WFUV 90.7	Bergen, Hudson, Passaic

<input type="checkbox"/>		WFMU 91.1	Bergen, Hudson, Passaic
<input type="checkbox"/>		WNYE 91.5	Bergen, Hudson, Passaic
<input type="checkbox"/>		WRKS 98.7	Bergen, Hudson, Sussex
<input type="checkbox"/>		WRTN 93.5	Bergen, Hudson, Sussex
<input type="checkbox"/>		WHCR-FM 90.3	Bergen, Passaic
<input type="checkbox"/>		WPSC-FM 88.7	Passaic
<input type="checkbox"/>		WRHV 88.7	Passaic
<input type="checkbox"/>		WNJP 88.5	Sussex
<input type="checkbox"/>		WNTI 91.9	Sussex
<input type="checkbox"/>		WCTO 96.1	Sussex
<input type="checkbox"/>		WSUS 102.3	Sussex
<input type="checkbox"/>		WNNJ-FM 103.7	Sussex
<input type="checkbox"/>		WDHA -FM 105.5	Sussex
<input type="checkbox"/>		WHCY 106.3	Sussex
<input type="checkbox"/>		WWYY 107.1	Sussex

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

		NAME OF PUBLICATIONS	OUTREACH AREA	RACIAL/ETHNIC IDENTIFICATION OF READERS/AUDIENCE
<b>TARGETS ENTIRE HOUSING REGION 1</b>				
Bi-weekly				
<input type="checkbox"/>		Al Manassah		Arab-American
Monthly				
<input checked="" type="checkbox"/>	Once at the start of the affirmative marketing process	Sino Monthly	North Jersey/NYC area	Chinese-American

<b>TARGETS PARTIAL HOUSING REGION 1</b>				
Daily				
<input checked="" type="checkbox"/>	Once at the start of the affirmative marketing process	24 Horas	Bergen, Essex, Hudson, Middlesex, Passaic, Union Counties	Portuguese-Language
Weekly				
<input type="checkbox"/>		Arab Voice Newspaper	North Jersey/NYC area	Arab-American
<input type="checkbox"/>		La Voz	Hudson, Union, Middlesex Counties	Cuban community

<input type="checkbox"/>		Italian Tribune	North Jersey/NYC area	Italian community
<input type="checkbox"/>		Jewish Standard	Bergen, Passaic, Hudson Counties	Jewish community
<input type="checkbox"/>		El Especialito	Union City	Spanish-Language
<input type="checkbox"/>		El Nuevo	Hudson County	Spanish-Language
<input type="checkbox"/>		La Tribuna Hispana	Basking Ridge, Bound Brook, Clifton, East Rutherford, Elizabeth, Fort Lee, Greebrook, Linden, Lydenhurst, Newark, North Plainfield, Orange, Passaic, Paterson, Plainfield, Roselle, Scotch Plains, Union, Union City, West NY	Spanish-Language
<input type="checkbox"/>		Su Guia	Bergen and Passaic	Spanish-Language
<input type="checkbox"/>		Banda Oriental Latinoamérica	North Jersey/NYC area	South American community
<input type="checkbox"/>		Ukranian Weekly	New Jersey	Ukranian community

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

<b>DURATION &amp; FREQUENCY OF OUTREACH</b>	<b>NAME OF EMPLOYER/COMPANY</b>	<b>LOCATION</b>
<b>Hudson County</b>		
<input checked="" type="checkbox"/>	A flyer and preliminary application will be mailed once at the start of the affirmative marketing process	United Parcel Service Inc. NY Corp 492 County Ave, Secaucus
<input type="checkbox"/>		USPS 80 County Road, Jersey City
<input checked="" type="checkbox"/>	A flyer and preliminary application will be mailed once at the start of the affirmative marketing process	Liz Claiborne Inc 1 Claiborne Ave, North Bergen
<input type="checkbox"/>		Credit Suisse First Boston LLC 1 Pershing Plz Jersey City
<input type="checkbox"/>		HealthCare Staffing and Consult 26 Journal Square, Jersey City
<input type="checkbox"/>		Ritter Sysco Food Service 20 Theodore Conrad Dr. Jersey City
<input checked="" type="checkbox"/>	A flyer and preliminary application will be mailed once at the start of the affirmative marketing process	Jersey City Medical Center Inc. 50 Grand St, Secaucus
<input type="checkbox"/>		Marsh USA Inc. 121 River St, Hoboken
<input type="checkbox"/>		National Retail Systems Inc. 2820 16th St North Bergen

<input type="checkbox"/>		Community Corrections Corp	Lincoln Hwy Kearny
<input type="checkbox"/>		Marine Personnel & Provisioning Inc.	1200 Harbor Blvd Weehawken
<input type="checkbox"/>		Port Authority of NY and NJ	241 Erie St. Jersey City and 120 Academy St. Jersey City
<input type="checkbox"/>		Christ Hospital Health Service	176 Palisade Ave, Jersey City
<input type="checkbox"/>		Bayonne Hospital	29th Street and Ave E, Bayonne
<input type="checkbox"/>		Salson Logistics Inc.	2100 88th St.and 7373 West Side Ave, North Bergen, NJ
<input type="checkbox"/>		National Financial Service	1000 Plaza, Jersey City
<input type="checkbox"/>		Fleet NJ Company Development Corp.	10 Exchange Place, Jersey City
<input type="checkbox"/>		Maidenform Inc	154 Ave E, Bayonne
<input type="checkbox"/>		Lord Abbett & Company	90 Hudson City, Jersey City
<input type="checkbox"/>		Liberty Health Plan Inc.	50 Baldwin Ave Jersey City
<input type="checkbox"/>		Port Imperial Ferry Corp.	Pershing Rd Secaucus
<input type="checkbox"/>		Hudson News	1305 Paterson Plank Rd, North Bergen
<input checked="" type="checkbox"/>	A flyer and preliminary application will be mailed once at the start of the affirmative marketing process	Palisades General Hospital	7600 River Rd North Bergen, NJ
<input type="checkbox"/>		Equiserve Inc.	525 Washington Blvd Jersey city
<input type="checkbox"/>		Ciricorp Data Systems Incorporated	1919 Park Ave Secaucus
<input type="checkbox"/>		Meadowlands Hospital Medical Center	Meadowlands Pkwy Secaucus
<input type="checkbox"/>		Retailers & Manufacturers Dist Marking Serv.	50 Metro Way Secaucus
<input type="checkbox"/>		Dynamic Delivery Corp	125 Pennsylvania Ave Kearny, NJ
<input type="checkbox"/>		Bowne Business Communications Inc.	215 County Ave Secaucus
<input type="checkbox"/>		North Hudson Community Action Corp.	5301 Broadway West New York 07093
<input type="checkbox"/>		Goya Foods Inc.	100 Seaview Dr. Secaucus
<input type="checkbox"/>		Cristi Cleaning Service	204 Paterson Plank Rd Union, NJ

<b>Bergen County</b>			
<input type="checkbox"/>		Hackensack University Medical Center	30 Prospect Ave, Hackensack, NJ 07601
<input type="checkbox"/>		Professional Employer Group Service	2050 Center Ave Ste 336 Fort Lee
<input checked="" type="checkbox"/>	A flyer and preliminary application will be mailed once at the start of the affirmative marketing	County of Bergen, NJ	1 Bergen County Plaza Hackensack, NJ 07601

	process		
<input type="checkbox"/>		Society of the Valley Hospital	223 N Van Dien Ave Ridgewood
<input type="checkbox"/>		NJ Sports & Expo Authority	50 State Highway 120 East Rutherford
<input checked="" type="checkbox"/>	A flyer and preliminary application will be mailed once at the start of the affirmative marketing process	Merck-Medco Managed Care LLC	100 Parsons Pond Dr. Franklin Lakes 07417
<input type="checkbox"/>		Quest Diagnostics Incorporated	1 Malcolm Ave Teterboro ,NJ 07608
<input type="checkbox"/>		AT&T	15 E Midland Ave Paramus
<input checked="" type="checkbox"/>	A flyer and preliminary application will be mailed once at the start of the affirmative marketing process	Englewood Hospital and Medical Center	350 Engle St. Englewood
<input type="checkbox"/>		Aramark Svcs Management of NJ Inc	50 Route 120 East Rutherford
<input type="checkbox"/>		Holy Name Hospital	718 Teaneck Road Teaneck
<input checked="" type="checkbox"/>	A flyer and preliminary application will be mailed once at the start of the affirmative marketing process	Doherty Enterprises Inc	7 Pearl Ct Allendale
<input type="checkbox"/>		Bergen Regional Medical Center	230 East Ridgewood Ave Paramus
<input type="checkbox"/>		Inserra supermarkets, Inc.	20 Ridge Rd Mahwah
<input checked="" type="checkbox"/>	A flyer and preliminary application will be mailed once at the start of the affirmative marketing process	Howmedica Osteonics Corp	59 Route 17 Allendale
<input type="checkbox"/>		Becton Dickinson & Company Corp	1 Becton Dr. Franklin Lakes
<input checked="" type="checkbox"/>	A flyer and preliminary application will be mailed once at the start of the affirmative marketing process	Pearson Education, Inc.	1 Lake St. Upper Saddle River

Passaic County			
<input checked="" type="checkbox"/>	A flyer and preliminary application will be mailed once at the start of the affirmative marketing process	D&E Pharmaceutical Co.	206 Macoprin Rd Bloomingdale, NJ 07403
<input type="checkbox"/>		Acme Markets	467 AllWood Rd Clifton, NJ 07012
<input type="checkbox"/>		St. Mary's Hospital	350 Boulevard Passaic, NJ 07055
<input type="checkbox"/>		Merry Maids	14 Riverside Square Mall, Bloomingdale, NJ 07403
<input type="checkbox"/>		Health Center at Bloomingdale	255 Union Ave Bloomingdale, NJ 07403
<input type="checkbox"/>		Sommers Plastic Product Co. Inc.	31 Styertowne Rd Clifton, NJ 07012
<input type="checkbox"/>		St. Joseph's Hospital	703 Main St. Paterson, NJ 07503
<input checked="" type="checkbox"/>	A flyer and preliminary application will be mailed once at the start of the affirmative marketing process	BAE Systems	164 Totowa Rd, Wayne, NJ 07470
<input checked="" type="checkbox"/>	A flyer and preliminary application will be mailed once at the start of the affirmative marketing process	Drake Bakeries Inc	75 Demarest Dr, Wayne, NJ 07470
<input type="checkbox"/>		Toys R Us National Headquarters	1 Geoffrey Way, Wayne, NJ 07470
<input type="checkbox"/>		GAF Materials Corporation	1361 Alps Rd, Wayne, NJ 07470
<input type="checkbox"/>		Valley National Bank Headquarters	1455 Valley Road Wayne, New Jersey 07470
Sussex County			
<input type="checkbox"/>		Selective Insurance	40 Wantage Ave, Branchville, NJ
<input type="checkbox"/>		Andover Subacute and Rehab Center	99 Mulford Rd Bldg 2, Andover, NJ
<input checked="" type="checkbox"/>	A flyer and preliminary application will be mailed once at the start of the affirmative marketing process	Mountain Creek Resorts	200 State Rt 94, Vernon, NJ
<input checked="" type="checkbox"/>	A flyer and preliminary application will be mailed once at the start of the affirmative marketing process	County of Sussex	One Spring Street, Newton, NJ 07860
<input type="checkbox"/>		Newton Memorial Hospital Inc.	175 High St, Newton, NJ
<input type="checkbox"/>		Vernon Township Board of Education	539 State Rt 515, Vernon, NJ
<input type="checkbox"/>		F.O. Phoenix (Econo-Pak)	1 Wiebel Plz, Sussex, NJ
<input type="checkbox"/>		Hopatcong Board of Education	2 Windsor Ave, Hopatcong, NJ

<b>X</b>	A flyer and preliminary application will be mailed once at the start of the affirmative marketing process	Saint Clare's Hospital	20 Walnut St, Sussex, NJ
<input type="checkbox"/>		Ames Rubber Corp	19 Ames Blvd, Hamburg, NJ
3f. Community Contacts (names of community groups/organizations throughout the housing region that can be contacted to post advertisements and distribute flyers regarding available affordable housing)			
Name of Group/Organization	Outreach Area	Racial/Ethnic Identification of Readers/Audience	Duration & Frequency of Outreach
Fair Share Housing Center	Statewide		A flyer and preliminary application will be mailed once at the start of the affirmative marketing process
New Jersey State Conference of NAACP	Statewide		A flyer and preliminary application will be mailed once at the start of the affirmative marketing process
Latino Action Network	Statewide		A flyer and preliminary application will be mailed once at the start of the affirmative marketing process
Bergen County NAACP	County		A flyer and preliminary application will be mailed once at the start of the affirmative marketing process
Bergen County Urban League	County		A flyer and preliminary application will be mailed once at the start of the affirmative marketing process
Bergen County Housing Coalition	County		A flyer and preliminary application will be mailed once at the start of the affirmative marketing process

#### 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)		
	<b>BUILDING</b>	<b>LOCATION</b>
<b>X</b>	Sussex County Main Library	125 Morris Turnpike, Newton, NJ 07860
<b>X</b>	Hudson County Administration Building	595 Newark Avenue, Jersey City, NJ 07306
<b>X</b>	Passaic County Administration Building	401 Grand Street, Paterson, NJ 07505 (973) 225-3632
<b>X</b>	Bergen County Administration Building	One Bergen County Plaza, Hackensack, NJ 07601 (201)336-6000

4b. Municipality in which the units are located (list municipal building and municipal library, address, contact person)
Borough Hall, 118 Serpentine Rd, Demarest, Susan Crosman, MHL
Demarest Free Public Library, 90 Hardenburgh Ave., Demarest
4c. Sales/Rental Office for units (if applicable)

**V. CERTIFICATIONS AND ENDORSEMENTS**

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

Appendix S.

Affirmative Marketing Plan Resolution

**BOROUGH OF DEMAREST  
BERGEN COUNTY**

**RESOLUTION ADOPTING THE 'AFFIRMATIVE MARKETING PLAN' FOR THE  
BOROUGH OF DEMAREST**

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

**WHEREAS**, an Affirmative Marketing Plan has been prepared for the Borough; and

**WHEREAS**, the Affirmative Marketing Plan details the mechanisms to be employed in advising the public of the availability of affordable units within the Borough, which include advertising within the print media as well as the contacting of companies and firms; and

**WHEREAS**, the Affirmative Marketing Plan complies with the Affordable Housing Ordinance, specifically, Chapter 145, Article 5.3 entitled "Affirmative Marketing Requirements" and the Operating Manual for the administration of affordable units in compliance with the Uniform Housing Affordability Controls; and

**WHEREAS**, the Affirmative Marketing Plan also includes notifying community groups and organizations within the Housing Region pertaining to the availability of affordable housing units; and


**WHEREAS**, the Governing Body has reviewed the Affirmative Marketing Plan and determined same to be consistent with the requirements of UHAC.

**NOW, THEREFORE, BE IT RESOLVED**, by the Borough Council of the Borough of Demarest, County of Bergen, that the Mayor and Council has hereby determined that the Affirmative Marketing Plan is in accordance with the applicable requirements and does hereby adopt the attached Affirmative Marketing Plan.

Approved this 29 day of July, 2019

  
Melinda J. Iannuzzi, Mayor

Attest:

  
Susan Crosman, RMC  
Municipal Clerk

\* \* \* \* \*

Moved by: Mr. Carroll  
Second by: Mrs. Hamilton

	Aye	Nay	Abstain
Carroll:	✓		
Connelly:	✓		
Fox:	✓		
Hamilton:	✓		
LaPira:	✓		
Kurys:	✓		

Mayor Iannuzzi:

Appendix T.  
Operating Manual

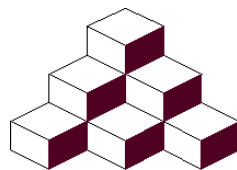
# **Borough of Demarest**

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## **Affordable Housing Services**

### **Operating Manual**

#### **RENTAL PROGRAM**



**Piazza & Associates, Inc. ♦ 216 Rockingham Row ♦ Princeton, NJ 08540**

**T.609.786.1100 ♦ F.609-786-1105 ♦ [www.HousingQuest.com](http://www.HousingQuest.com)**

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**EXHIBITS**

- A.** Equal Housing Opportunity Posters
- B.** COAH Annual Regional Income Limits Chart
- C.** Application for Affordable Housing
- D.** Applicant Questionnaire and Document Checklist

## INTRODUCTION

This Operating Manual has been prepared by Piazza & Associates, Inc., the Administrative Agent for the Borough of Demarest, to assist in the administration of rental units. General questions regarding its content can be addressed to Piazza & Associates, Inc. 216 Rockingham Row, Princeton, NJ 08540; by telephone to 609-786-1100; or by email at info@HousingQuest.com.

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 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 laws<sup>1</sup>, the Uniform Housing Affordability Controls (UHAC) N.J.A.C. 5:80-26.1 et seq.<sup>2</sup>, the substantive rules of the Council on Affordable Housing N.J.A.C. 5:96<sup>3</sup> and 5:97<sup>4</sup> and the affordable housing regulations of the Borough of Demarest (hereafter referred to as the “Regulations”).

## FAIR HOUSING AND EQUAL HOUSING OPPORTUNITIES



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

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<sup>1</sup> [https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/FHLaws](https://www.hud.gov/program_offices/fair_housing_equal_opp/FHLaws)

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

<sup>3</sup> <http://www.nj.gov/dca/services/lps/hss/statsandregs/596.pdf>

<sup>4</sup> <http://www.nj.gov/dca/services/lps/hss/statsandregs/597.pdf>

## **WHAT IS AFFORDABLE HOUSING?**

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

## **WHO QUALIFIES FOR AFFORDABLE HOUSING?**

In order to be eligible for affordable housing in New Jersey, a household’s income will be below the income limit for the region in which the affordable housing is located, either for low or moderate levels. A moderate-income household is classified as earning between 50 percent and 80 percent of the area median income. A low-income household is classified as earning less than 50 percent of area median income. The New Jersey Fair Housing Act (NJFHA) has included a new category for very low-income households, which are classified as earning less than 30 percent of area median income. Municipalities shall decide what projects will be required to help meet this obligation. Existing rental projects have a minimum requirement for very low income apartments, priced at 35% of the AMI; and new rental projects have an obligation to provide very low-income units at 30% of the AMI to very low-income households.

The COAH (COAH shall mean COAH or its successors) Regional Income Limits Chart (Exhibit B) provides information about income limits for each of COAH’s six housing regions. Each region has different calculated median incomes, which are adjusted periodically. The Borough of Demarest is located in Bergen County, which is part of Region 1, together with Hudson, Passaic, and Sussex Counties.

## **LOCAL AFFORDABLE HOUSING PROGRAMS FOR RENT**

A copy of the Borough of Demarest Housing Element and Fair Share Plan is available at the municipal building, located at 118 Serpentine Road, Demarest, NJ 07627.

## **OTHER AFFORDABLE HOUSING PROGRAMS AND OPPORTUNITIES**

In addition to affordable rental opportunities, the Borough of Demarest has purchase opportunities. Please contact Piazza & Associates, Inc., for further information: <http://www.piazza-and-associates.com/afhousing.php?pa=Demarest>.

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

Individuals interested in applying for affordable housing should contact the Municipal Housing Liaison in the municipality in which they are interested in living. Each municipality has a Municipal Housing Liaison who is responsible for administering the municipality’s affordable housing program. Some municipalities administer their own

affordable housing and have their own application process. If not, the Municipal Housing Liaison can direct applicants to developers, nonprofit agencies, State agencies or consultants that may administer the affordable housing within the municipality. A list of Municipal Housing Liaisons can be found at:

[http://www.nj.gov/dca/divisions/lps/hss/admin\\_files/muniliaisons.pdf](http://www.nj.gov/dca/divisions/lps/hss/admin_files/muniliaisons.pdf)

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

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

Piazza & Associates, Inc. also provides information on many affordable housing programs throughout the state of New Jersey. Detailed information about these affordable housing opportunities can be found at [www.HousingQuest.com](http://www.HousingQuest.com).

## **OVERVIEW OF THE AFFORDABLE HOUSING ADMINISTRATION PROCESS FOR NEW RENTALS AND RE-RENTALS**

- The Municipal Housing Liaison serves as an initial point of contact for unsolicited calls to the municipality about affordable housing and where appropriate directs applicants to an Administrative Agent, who may be developers, nonprofit agencies, State agencies or consultants that may administer the affordable housing within the municipality.
- The Administrative Agent implements the municipality's Affirmative Marketing Plan.
- The Administrative Agent serves as the initial point of contact for all inquiries generated by the affirmative marketing efforts and sends out pre-applications to interested callers.
- An initial deadline date, no less than 60 days after the start of the marketing process, will be established. All of the preliminary applications received by the Administrative Agents, on or before the initial deadline date, shall be deemed received on that date.
- Households that apply for very low-income housing will be prescreened by Piazza & Associates for preliminary income eligibility by comparing their total income and household size to the very low-income limits pursuant to the New Jersey Fair

Housing Act, N.J.S.A. 52:27-D-304 (“NJFHA”). Households that apply for low and moderate-income housing will be prescreened by Piazza & Associates for preliminary income eligibility by comparing their total income and household size to the low and moderate-income limits pursuant to the Uniform Housing Affordability Controls, 5:80-26.1 et seq. (“UHAC”). All households will be notified as to their preliminary status.

- A drawing will be held under the direction of the Administrative Agent to determine the priority order of the pre-qualified applications received on or before the initial deadline date. All preliminary applications received after the initial deadline, will be processed on a "first come, first served" basis after the applicants who were in the initial random selection.
- In order to ensure an adequate supply of qualified applicants, the advertising phase will continue until there are at least ten (10) pre-qualified applicants for each low and moderate-income unit available, or until all of the low and moderate income units within the development have been sold.
- When units become available, final applications will be mailed by the Administrative Agent to an adequate number of pre-qualified applicants, in priority order, for each available low and moderate-income unit. The final application will require the applicants to supply documents to verify their identity and household composition as well as their income and assets.
- Completed final applications will be forwarded to the Administrative Agent, who will make a determination as to their eligibility for a low or moderate-income unit. Applicants will receive a letter from the Administrative Agent with respect to the status of their application each time a review is performed.
- When submitting final applications, applicants will also be asked to make an appointment to visit the leasing office.
- Rental applicants will be subject to the Tenant Selection Criteria set forth by the Landlord.
- Certified applicants will be given a pre-determined amount of time to sign a lease with the landlord or developer
- When a unit becomes available, the Administrative Agent will proceed with the income qualification process.
- For rental units, the Administrative Agent will provide certifications that must be signed and notarized by the applicant.
- The certified household moves into the affordable rental unit.

## **ROLES AND RESPONSIBILITIES**

### **Responsibilities of the Municipal Housing Liaison or MHL**

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 MHL 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 MHL 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 MHL serves as the municipality's primary point of contact on affordable housing issues. Interested applicants should be provided with information on the types of affordable units within the municipality and, where applicable, the name of the Administrative Agent that manages the units and the contact information for the Administrative Agent.

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

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

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

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

### **Responsibilities of an Administrative Agent**

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

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

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

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

**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 will be provided within twenty (20) days of the Administrative Agent's

determination of eligibility or non-eligibility. Whether or not the household is determined to be eligible for a unit, it is an Administrative Agent's responsibility to secure all information provided by the household in individual files and to maintain strict confidentiality of all information regarding that household. An Administrative Agent is required to ensure that all certified applicants execute a Disclosure Statement acknowledging the rights and requirements of owning an affordable unit, in the form of Appendix 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, Recapture Mortgages, Recapture Mortgage Notes and Appendix J and 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 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 Developers**

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

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

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

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

## **Responsibilities of Owners of Rental Developments**

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

## **AFFIRMATIVE MARKETING**

### **Overview of the Requirements of an Affirmative Marketing Plan**

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

Every Affirmative Marketing Plan will 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.

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

- The address of the project and development name, if any
- The number of units, including number of affordable rental units
- The rental rates of the rental units

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

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

- The location of and directions to the units
- A range of rents 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

### **Implementation of the Affirmative Marketing Plan**

The affirmative marketing process for new affordable units shall begin at least four months prior to expected occupancy. In implementing the marketing program, the Administrative Agent shall undertake all of the strategies outlined in the Borough of Demarest 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 Administrative Agent for re-rentals.

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

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

## **Developer, Affordable Housing Sponsor**

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

## **RANDOM SELECTION & APPLICANT POOL(S)**

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

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

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

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

At the end of the 60-day period, the Administrative Agent arranges a time and date for the random selection process to take place. The MHL and a representative of the developer are invited and encouraged to attend. An announcement of the time and date is made by way of an email blast to those applicants who voluntarily sign up for this service through [www.HousingQuest.com](http://www.HousingQuest.com).

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

At the random selection, a website is used to generate a random list of numbers. The numbers are applied to the list in the order that was prearranged. A copy of the random numbers and the final list are sent to the MHL for verification and file.

All applicants are assigned a random number. A random number does not guarantee that the applicant will be deemed eligible. Applicants who submit more than one application and receive more than one priority number will forfeit the lower number with the highest priority.

When units become available, final applications are sent in the prioritized order as specified previously. 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. On-going marketing is done primarily through [www.HousingQuest.com](http://www.HousingQuest.com).

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

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

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. On-going marketing is done primarily through [www.HousingQuest.com](http://www.HousingQuest.com).

## **MATCHING HOUSEHOLDS TO AVAILABLE UNITS**

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

- Provide an occupant for each unit bedroom;
- Prevent more than two persons from occupying a single bedroom; and
- Require that all the bedrooms be used as bedrooms.

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

## **APPLICATION FEES**

The Administrative Agent does not charge a fee to applicants.

## **HOUSEHOLD CERTIFICATION**

Before any household can purchase a restricted unit, the Administrative Agent will 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 18 years of age or older. 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.

## **Household Composition and Circumstances**

Generally, a Household is defined as everyone who intends to reside in the affordable unit. Temporarily absent members of a household will be counted in very limited circumstances, such as a member of the military in active duty. Unborn children and children in the process of being adopted shall be counted as members of the household.

The following are generally excluded from the household for the purposes of income qualifying, but may be considered by the Administrative Agent for the purposes of determining the size of the unit: live-in aid, foster children and children who live in the household with less than 50% joint physical custody.

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
- Driver's License
- Birth Certificate or Passport
- Alien Registration Card
- Divorce Decree and Settlement Agreement
- Adoption Agency / Legal Correspondence and/or Certification
- Correspondence / Certification from Foster Care Services
- Doctor's Authorization for Live-in Aid.
- The Administrative Agent always reserves the right to require any other such documentation that, in its sole discretion, it deems necessary to verify composition.

## **Procedure for Income-Eligibility Certification**

To calculate income, the current gross income of the applicant is used to project that income over the next 12 months. Applicants may NOT change or modify their situation relative to their income once they have submitted a Final Application.

Through the submission of the Final Application, 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. The application and a schedule of required documentation can be found in the Appendix. Generally the documentation required is as follows:

- Four current consecutive pay stubs, including bonuses, overtime or tips, or a signed and dated 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 current monthly benefits such as
  - Social Security or SSI – Award letter or computer print out letter
  - Unemployment – verification of Unemployment Benefits
  - Welfare -TANF<sup>5</sup> current award letter
  - Disability - Worker’s compensation letter
  - Pension income – a pension letter.
- A letter or appropriate reporting form verifying any other sources of income claimed by the applicant, such as alimony, child support and education stipends.
- 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.
- 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 a contract with a real estate broker which sets forth the price of the property and Bank/Mortgage Co. Statement indicating Current Mortgage Balance. For rental property, attach copies of all leases.

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<sup>5</sup> TANF – Temporary Assistance for Needy Families

- The Administrative Agent always reserves the right to require any other such documentation that, in its sole discretion, it deems necessary to verify household income.

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 and regular distributions from retirement accounts
5. Social security benefits
6. Unemployment compensation (annualized)
7. TANF
8. Verified regular child support
9. Disability benefits
10. Net income from business or real estate
11. Actual 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 checking accounts, cash on hand, and equity in non-income producing real estate.
13. Non-tuition stipends for living expenses for students
14. Non-Governmental financial support
15. Any other forms of regular income reported to the Internal Revenue Service
16. Regular financial support from any source.

### ***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

### ***Deduction from Income***

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

### ***Student Income***

Only full-time income of full-time students is included in the income calculation. A full-time student is a member of the household who is enrolled in a qualifying education program for 12 credit hours or more per semester; and part-time income is income earned on less than a 35-hour workweek. Full time income (35 hours or more) for full-time students is always counted.

### **The Real Estate Asset Limit**

Except for federal programs, if an applicant's primary residence, which is to be sold upon purchase of an affordable unit, has no mortgage debt and is valued at or above the regional asset limit as published annually by COAH or their successor as part of the Annual Regional Income Limits Chart, the household will 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 will provide a recent, Market Value Appraisal, 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.

## **Income from Real Estate**

If real estate owned by an applicant for affordable housing is a rental property, the net revenue is considered income. Specifically, rent from real estate is considered income, after deduction of any mortgage payments, real estate taxes, property owner's insurance and reasonable property management expenses as reported to the Internal Revenue Service. Other expenses are not deductible. If actual rent is less than fair market rent, the administrative agent shall impute a fair market rent.

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 HUD Passbook Savings Rate, interest will be imputed on the determined value of the real estate.

## **Minimum Income**

The annual rent and utility allowance as determined by the Administrative Agent shall not exceed 35% of the applicant's gross annual income unless the applicants' liquid assets exceed 100 times the monthly rent.

## **Housing Counseling**

The Administrative Agent will provide referrals for counseling, as a part of its services. 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. 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.

In addition, the Administrative Agent will:

- 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 18 years of age or older 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.
- Seek to ensure, to a reasonable degree, that 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.

### **Approving or Rejecting a Household**

Administrative Agents will 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.

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 applicant does not sign a Lease Agreement within that time frame, an extension may be granted once the household's eligibility is updated and verified.

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

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

### **Dismissal of Applications**

Applications can be dismissed for the following reasons:

1. The application is not signed or submitted on time;

2. The applicant's sources of income or household composition changes after the submission of the final application, but before approval;
3. The applicant commits fraud, or the application is not truthful or complete;
4. The applicant cannot or does not provide documentation to verify their income or other required information when due;
5. The household income does not meet the minimum or maximum income requirements for a particular property;
6. The applicant owns an asset that exceeds the Asset Limits for COAH properties;
7. The applicant fails to respond to any inquiry in a timely manner;
8. The applicant had a greater chance than any other applicant submitted for a random selection;
9. The applicant is non-cooperative or abusive with the our staff, property managers or the sellers of affordable units;
10. The applicant changes address or other contact information without informing us in writing;
11. The applicant is unable to obtain suitable and legitimate financing for a sale unit or fails to verify attendance in a home buyer credit counseling program when required to do so by the program rules;
12. The applicant does not respond to a periodic update inquiry in a timely fashion;
13. The applicant fails to sign the Compliance Certification, Certificate for Applicant; Lease Documents, as may be required; or
14. The applicant, once approved, fails to sign a lease in a timely manner.

Applicants will also be withdrawn from all lists held by us in the Borough of Demarest once they have been approved for an affordable unit within that same municipality. However, these applicants may re-apply for other opportunities in that municipality once they have occupied their unit. Applicants withdrawn for fraud may be withdrawn from all programs administered by Piazza & Associates, Inc., and may be subject to prosecution under the law.

Applicants who are withdrawn and who wish to re-apply to that specific program may do so using a new Preliminary Application. The new Preliminary Application will NOT be given preferential treatment, but will be processed in the same way that all new Preliminary Applications for that specific program are processed. In the event that an application list is closed when the application is withdrawn, the applicant will be required to wait until the list is re-opened to apply again.

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.

Applications may be held in abeyance for a period not to exceed 90 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 Municipal Housing Liaison, Borough of Demarest; or the Executive Director of the New Jersey Housing and Mortgage Finance Agency.

## **DETERMINING AFFORDABLE RENTS**

To determine the affordable rents the Administrative Agent uses the COAH calculators located at <http://www.nj.gov/dca/divisions/lps/hss/calculators.html>.

### **Development Considerations and Compliance Issues**

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

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

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

**Age-restricted Units.** Affordable age-restricted units are not held to these bedroom distribution standards. For affordable age-restricted units, the number of age-restricted low- and moderate-income bedrooms must be equal to or greater than the number of age-restricted units within the development. In other words, the average bedroom size in an age-restricted development must be equal to or greater than one bedroom per unit. For example, if the overall age-restricted development is 25 percent efficiencies, and 50 percent one-bedroom units, and 25 percent two-bedroom units, that equals an overall development bedroom size of exactly one bedroom per unit. An age-restricted development can meet this standard by creating all one-bedroom units or by creating a

two-bedroom unit for each efficiency unit, or any other combination that will equal a minimum of one bedroom per unit.

**Pricing by Household Size.** Initial rents are based on targeted “model” household sizes for each size home as determined by the number of bedrooms. Initial rents must adhere to the following rules. These maximum 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.

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.

### **Additional Regulations for a Rental Development**

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

**Split Between Low- and Moderate-income Rental Units.** At least 50 percent (of the affordable units within each bedroom distribution (unit size) must be low-income units and at least 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. For a new rental property, very low-income units shall be priced at and made available to households at or below 30% of the regional median income.

**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.

## **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 or an approved alternative. 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 increase from the initial lease-up year to the present. Rents may not be increased more than once a year, may not be increased by more than one approved increment at a time, and may not be increased at the time of new occupancy if this occurs less than one year from the last rental. No additional fees may be added to the approved rent without the express written approval of the Administrative Agent.

## **VIOLATIONS, DEFAULTS AND REMEDIES**

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

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

## **MAINTENANCE OF RECORDS AND APPLICANT FILES**

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

The Administrative Agent will maintain detailed records on all marketing initiatives.

### **Files to Be Maintained on Every Applicant**

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

- Application Form.
- Income Verification
- Letter of Certification of Eligibility or Letter of Determination of Ineligibility.

Individual files will be maintained throughout the process..

### **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)

### **Files to Be Maintained on Every Project**

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

- Condominium Master Deed
- Condominium Public Offering
- Crediting Information
- Original deed restriction
- Affordability control documents, including Declarations of Covenants, Conditions and Restrictions, Deed Restrictions, Deeds, Recapture Mortgages, Recapture Mortgage Notes, Disclosure Statement (Appendix J)

### **Files to Be Maintained on The Applicant Pool**

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

## **Monitoring**

A sample Deed will be submitted for each project. Additionally, the current annual monitoring information required to be maintained and reported annually to the Municipal Housing Liaison can be found on COAH's website. The information required for each unit includes but is not limited to:

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



**EQUAL HOUSING  
OPPORTUNITY**

**We Do Business in Accordance With the Federal Fair  
Housing Law**

(The Fair Housing Amendments Act of 1988)

**It is illegal to Discriminate Against Any Person  
Because of Race, Color, Religion, Sex,  
Handicap, Familial Status, or National Origin**

- In the sale or rental of housing or residential lots
- In the provision of real estate brokerage services
- In advertising the sale or rental of housing
- In the appraisal of housing
- In the financing of housing
- Blockbusting is also illegal

Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination:

1-800-669-9777 (Toll Free)

1-800-927-9275 (TTY)

**U.S. Department of Housing and  
Urban Development  
Assistant Secretary for Fair Housing and  
Equal Opportunity  
Washington, D.C. 20410**

# New Jersey Law Prohibits Discrimination in Housing

**ON THE BASIS OF:** Race, Creed, Color, National Origin, Ancestry, Nationality, Marital or Domestic Partnership or Civil Union Status, Familial Status, Sex, Gender Identity or Expression, Affectional or Sexual Orientation, Disability, Source of Lawful Income or Source of Lawful Rent Payment (including Section 8)

**BY:** All Persons including Real Estate Agents or Brokers, Financial Institutions, Property Owners, Landlords, or Building Superintendents, and Their Agents and Employees

**WITH RESPECT TO:**

- The Sale, Rental or Lease of Real Property
- Listing or Advertising of Real Property
- Receipt or Transmittal of Offers to Purchase or Rent Real Property
- Application and Terms of a Mortgage or Other Loan

**REMEDY MAY INCLUDE:** An Order Restraining Unlawful Discrimination, Reimbursement for Financial Loss, Damages for Pain and Humiliation Experienced as a Result of Unlawful Discrimination, Punitive Damages, and Attorney's Fees

*It is also unlawful to publish real estate advertisements which express any discrimination against persons protected by the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1 et seq.*

**Violations Should Be Reported To the Nearest Office  
of the NJ Division on Civil Rights or Call Toll Free at 866-405-3050**

**Atlantic City**  
26 S. Pennsylvania Avenue, 3<sup>rd</sup> Floor  
Atlantic City, NJ 08401  
(609) 441-3100 (Phone)

**Camden**  
One Port Center  
2 Riverside Drive, 4<sup>th</sup> Floor  
Camden, NJ 08103  
(856) 614-2550 (Phone)

**Newark**  
31 Clinton Street, 3<sup>rd</sup> Floor  
Newark, NJ 07102  
(973) 648-2700 (Phone)

**Trenton**  
140 East Front Street, 6<sup>th</sup> Floor  
Trenton, NJ 08625  
(609) 292-4605 (Phone)

**[www.NJCivilRights.gov](http://www.NJCivilRights.gov)**

*The regulations of the New Jersey Division on Civil Rights require that all real estate brokers and persons who engage in the business of selling or renting real property who are covered by the New Jersey Law Against Discrimination shall display this official poster in places easily visible to all prospective tenants and purchasers. N.J.A.C. 13:8-1.3.*



**CIVIL RIGHTS**

**NEW JERSEY COUNCIL ON AFFORDABLE HOUSING  
2014 AFFORDABLE HOUSING REGIONAL INCOME LIMITS**

		1 Person	*1.5 Person	2 Person	*3 Person	4 Person	*4.5 Person	5 Person	6 Person	7 Person	8 Person	Max. Increase**		Regional Asset Limit***
													Rents	
<b>Region 1</b>	<i>Median</i>	\$59,095	\$63,317	\$67,538	\$75,980	\$84,422	\$87,799	\$91,176	\$97,930	\$104,683	\$111,437			\$163,245
Bergen, Hudson, Passaic and Sussex	<i>Moderate</i>	\$47,276	\$50,653	\$54,030	\$60,784	\$67,538	\$70,239	\$72,941	\$78,344	\$83,747	\$89,150			
	<i>Low</i>	\$29,548	\$31,658	\$33,769	\$37,990	\$42,211	\$43,899	\$45,588	\$48,965	\$52,342	\$55,719	1.8%	0.00%	
	<i>Very Low</i>	\$17,729	\$18,995	\$20,261	\$22,794	\$25,327	\$26,340	\$27,353	\$29,379	\$31,405	\$33,431			
<b>Region 2</b>	<i>Median</i>	\$63,430	\$67,961	\$72,492	\$81,553	\$90,614	\$94,239	\$97,864	\$105,113	\$112,362	\$119,611			\$173,844
Essex, Morris, Union and Warren	<i>Moderate</i>	\$50,744	\$54,369	\$57,993	\$65,242	\$72,492	\$75,391	\$78,291	\$84,090	\$89,890	\$95,689			
	<i>Low</i>	\$31,715	\$33,980	\$36,246	\$40,777	\$45,307	\$47,120	\$48,932	\$52,556	\$56,181	\$59,806	1.8%	0.00%	
	<i>Very Low</i>	\$19,029	\$20,388	\$21,747	\$24,466	\$27,184	\$28,272	\$29,359	\$31,534	\$33,709	\$35,883			
<b>Region 3</b>	<i>Median</i>	\$73,500	\$78,750	\$84,000	\$94,500	\$105,000	\$109,200	\$113,400	\$121,800	\$130,200	\$138,600			\$199,936
Hunterdon, Middlesex and Somerset	<i>Moderate</i>	\$58,800	\$63,000	\$67,200	\$75,600	\$84,000	\$87,360	\$90,720	\$97,440	\$104,160	\$110,880			
	<i>Low</i>	\$36,750	\$39,375	\$42,000	\$47,250	\$52,500	\$54,600	\$56,700	\$60,900	\$65,100	\$69,300	1.8%	0.00%	
	<i>Very Low</i>	\$22,050	\$23,625	\$25,200	\$28,350	\$31,500	\$32,760	\$34,020	\$36,540	\$39,060	\$41,580			
<b>Region 4</b>	<i>Median</i>	\$64,830	\$69,461	\$74,091	\$83,353	\$92,614	\$96,319	\$100,023	\$107,432	\$114,841	\$122,250			\$174,209
Mercer, Monmouth and Ocean	<i>Moderate</i>	\$51,864	\$55,568	\$59,273	\$66,682	\$74,091	\$77,055	\$80,018	\$85,946	\$91,873	\$97,800			
	<i>Low</i>	\$32,415	\$34,730	\$37,046	\$41,676	\$46,307	\$48,159	\$50,012	\$53,716	\$57,421	\$61,125	1.8%	0.00%	
	<i>Very Low</i>	\$19,449	\$20,838	\$22,227	\$25,006	\$27,784	\$28,896	\$30,007	\$32,230	\$34,452	\$36,675			
<b>Region 5</b>	<i>Median</i>	\$57,050	\$61,125	\$65,200	\$73,350	\$81,500	\$84,760	\$88,020	\$94,540	\$101,060	\$107,580			\$151,043
Burlington, Camden and Gloucester	<i>Moderate</i>	\$45,640	\$48,900	\$52,160	\$58,680	\$65,200	\$67,808	\$70,416	\$75,632	\$80,848	\$86,064			
	<i>Low</i>	\$28,525	\$30,563	\$32,600	\$36,675	\$40,750	\$42,380	\$44,010	\$47,270	\$50,530	\$53,790	1.8%	0.00%	
	<i>Very Low</i>	\$17,115	\$18,338	\$19,560	\$22,005	\$24,450	\$25,428	\$26,406	\$28,362	\$30,318	\$32,274			
<b>Region 6</b>	<i>Median</i>	\$51,085	\$54,734	\$58,383	\$65,681	\$72,979	\$75,898	\$78,817	\$84,656	\$90,494	\$96,332			\$136,680
Atlantic, Cape May, Cumberland and Salem	<i>Moderate</i>	\$40,868	\$43,787	\$46,707	\$52,545	\$58,383	\$60,719	\$63,054	\$67,725	\$72,395	\$77,066			
	<i>Low</i>	\$25,543	\$27,367	\$29,192	\$32,841	\$36,490	\$37,949	\$39,409	\$42,328	\$45,247	\$48,166	1.8%	0.00%	
	<i>Very Low</i>	\$15,326	\$16,420	\$17,515	\$19,704	\$21,894	\$22,769	\$23,645	\$25,397	\$27,148	\$28,900			

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

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

\*\* This column is used for calculating the pricing for resale and rent increases for units as per N.J.A.C. 5:97-9.3. However, low income tax credit developments may increase based on the low income tax credit regulations. Landlords who did not increase rent in 2012 may increase rent by the combined 2012 and 2013 increase, or 3 percent.

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

Since the COAH Regional Income Limits for 2013 were higher than 2014 figures, the 2013 income limits, shown above, will remain in force for 2014 and until Regional Income Limits surpass the 2013 Regional Income Limits.

PROPERTY / DEVELOPMENT NAME: \_\_\_\_\_

PROPERTY ADDRESS: \_\_\_\_\_

EXHIBIT C

NAME OF APPLICANT: \_\_\_\_\_

## AFFORDABLE HOUSING APPLICATION

**Read this application carefully and return it with the required documentation.**

**We reserve the right to disqualify applicants who do not submit ALL of the documentation requested in this application packet. Please complete, sign and return this application AND the required documentation to:**

**Piazza & Associates, Inc., 216 Rockingham Row, Princeton, NJ 08540.**



Federal law prohibits 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. State law prohibits discrimination on the basis of race, creed, color, national origin, ancestry, nationality, marital or domestic partnership or civil union status, familial status, sex, gender identity or expression, affectional or sexual orientation, disability, source of lawful income or source of lawful rent payment (including Section 8). The affordable housing must be the intended primary residence of the applicant. All household members who intend to reside at the affordable home must be listed in the application. If changes in household composition occur during the application process, the applicant is required to notify Piazza & Associates, Inc. immediately. Applications may be withdrawn if the household composition or sources of income changes after the submission of this application. Applications must be truthful, complete and accurate. Any false statement makes the application null and void, and subjects the applicant to penalties imposed by law. **Income Verification:** The affordable homes are provided as a service to low- and moderate- income households. Occupancy is regulated by certain municipal and state statutes that require us to verify the income of every applicant. Your cooperation is appreciated.

**Identification.** Please include a photocopy of identification for every person who will reside in the affordable home. Typically, a birth certificate, drivers license or passport will be sufficient. **Verification of Income.** Every applicant must submit a copy of each of the most recent three (3) years of signed state and federal tax returns (1040). Please include all accompanying documents such as W2 form(s), 1099's etc. If the applicant has not filed a return in any of the three (3) previous years, he / she must submit a notarized letter of explanation. Every applicant must submit the six (6) most recent statements from every Checking account and three (3) statements from every other bank and financial account (including, Savings, CD's, Money Market Accounts, etc.) to which the applicant is a depositor or signatory. **All sources of income must be verified.** Acceptable forms of verification include... **Salary:** Four (4) most recent pay statement (stubs). **Social Security:** A letter from the Social Security Administration. **Public Assistance:** A letter from the appropriate agency which details the amount and frequency of the benefit. **Alimony and Child Support:** The separation or divorce agreement which details the amount and frequency of child support or alimony received by the applicant. **Pension Plan, IRA, Annuity** and/or other retirement account, plan or service under which the applicant receives an income or financial distribution: The most recent statement for each which clearly indicates the amount and frequency of the distribution. In lieu of a statement, a letter of verification from the appropriate authority will be considered. **Savings Bonds:** A copy of all bonds held by the applicant(s). **Stocks, Bonds, Treasury Bills and Notes or other financial instruments** which are owned in whole or in part by the applicant: The most recent statement which verifies the value of the assets and current dividends (if any). If these are not available, a notarized letter from a Certified Public Accountant or attorney who has access to these records will be considered. **Real Estate:** If the real estate is the current residence of the applicant, and if the applicant intends to sell the real estate, submit one of the following: a certified appraisal, a contract with a real estate broker which sets forth the price of the property, or a signed contract for the sale of the property. If there is a mortgage, a statement from the mortgage company or bank which clearly indicates the principal balance of the mortgage(s) must be submitted. If other real estate is owned, in whole or in part by the applicant, and that parcel or parcels of real estate generate(s) income, verification of income must be supplied. In addition, verification of mortgage payments, property taxes and insurance should be submitted. **Business Income:** Equals the sum of gross revenue less expenses (prior to taxes). **Important:** Answer all questions. Please answer "none" in the sections which ask for information about income that you do not have. Enter "n/a" if a question does not apply to you. If you have any questions, or are in need of further information, please call us: (609) 786-1100, or contact us by e-mail at [Info@HousingQuest.com](mailto:Info@HousingQuest.com).

Application services provided by Piazza & Associates, Inc., an affordable housing services corporation. This is an Equal Housing Opportunity. All housing is subject to applicable affordable housing regulations and availability. The terms and conditions of this affordable housing opportunity are subject to change without notice. We can not guarantee that an affordable home will be available to you. All homes meet certain criteria for "affordable housing," but the sales prices and rental rates are **not** adjusted to meet any specific household income or financial situation. Therefore, we can not and do not represent that these homes will be affordable to any individual applicant.

**DO NOT FAX. WE CAN NOT ACCEPT A FACSIMILE OF YOUR FINAL APPLICATION! DO NOT FAX.**

**PLEASE CALL US IF YOU NEED CLARIFICATION OR FURTHER INSTRUCTIONS: (609) 786-1100.**

**A. Head of Household Information** (Please verify the information below and make corrections if necessary.)

1. Last Name: _____	5. Soc. Sec. No: _____
2. First Name: _____	6. Home Phone: _____
3. Home Address: _____	7. Work Phone: _____
4. City/State/ Zip: _____	8. County: _____
	9. Email: _____

**B. Household Composition** (Every person who will occupy the affordable home must be listed.)

Name (First and Last)	Relation To	Date of Birth	Sex	Social Security Number
#1				
#2				
#3				
#4				
#5				
#6				

**C. Current Situation**

1. Do you currently: \_\_\_ Rent \_\_\_ Own \_\_\_ Other

2. How long at the address above? \_\_\_\_\_ Years

3. What was your previous address?

\_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_ Zip Code: \_\_\_\_\_

4. What is your monthly rent or mortgage payment?

\$ \_\_\_\_\_

5. If you currently own your home, what is the value of this home?

\$ \_\_\_\_\_

6. What is the Principal Balance of your mortgage?

\$ \_\_\_\_\_

**D. References**

**If you rent**, please check "Landlord" and list the name and address of your landlord below. **If you own** your home, please check "Mortgage Co." and list the name and address of the mortgage company and account number below.

1. Name of \_\_\_ Landlord or \_\_\_ Mortgage Co.: \_\_\_\_\_

2. Address: \_\_\_\_\_

3. City, State and Zip Code: \_\_\_\_\_

4. Telephone Number: \_\_\_\_\_ 5. Mortgage Account No.: \_\_\_\_\_

**If you own** your home, please attach documentation verifying the value of the home and mortgage principal amount.



**G. Assets: Financial Institutions** (Checking Account, Savings Accounts, Certificates of Deposit, Money Market Funds, Mutual Funds or other assets held by financial institutions. Provide documentation. Refer to Instructions.)

Type of Asset or Account	Financial Institution	Account Number	Current Market Value of Asset	Interest Rate	Annual Income
			\$	%	\$
			\$	%	\$
			\$	%	\$
			\$	%	\$
			\$	%	\$
			\$	%	\$
			\$	%	\$

**H. Assets: Directly Held** (Stocks, Bonds, Income-Producing Real Estate, Business or other directly held assets. Provide documentation. To determine the Annual Income from Real Estate or Business, refer to the Instructions.)

Type of Asset	Name of Asset	Number of Shares	Current Market Value	Annual Income
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$

**I. Marital Status:**  Married;  Single;  Divorced;  Widowed;  Legally Separated

**J. Additional Information** (Please include any information which will assist us in serving you such as special needs, accessibility requirements, etc.) \_\_\_\_\_

**Applicant's Certification and Authorization:** The undersigned hereby states that all the information provided in connection with this Affordable Housing Application is true and complete. I/We am/are aware that, if any statements made by me/us are willingly false, the application is null and void, and I/we may be subject to penalties imposed by law. Piazza & Associates, Inc. or its agents are hereby authorized to contact references to verify the information provided in these applications, and to make other inquiries regarding income, assets, credit status, employment, and residency history for the purpose of determining my/our eligibility for this affordable housing program. Further, I/we understand that there is no obligation at this time on my/our part to enter into a sales or rental agreement if the application is approved. **Void if not signed by all Applicants 18 years of age and over.**

Signed: \_\_\_\_\_ Signed: \_\_\_\_\_

EXHIBIT D

**APPLICANT QUESTIONNAIRE**

**& DOCUMENT CHECKLIST**

This questionnaire must be filled out and signed by all applicants over the age of 17.

Rev. 09/06/12

**ATTENTION: DO NOT SUBMIT ORIGINALS!** Documents cannot be returned.

**IMPORTANT**

**If you answer yes, you must submit a COPY of all of the required documents!**

Applicant/Tenant Name: \_\_\_\_\_

**Applicant/Tenant: Please check "yes" or "no" for each line**

<b>Yes</b>	<b>No</b>	<i>Check "Yes" if the answer applies to one or more applicants.</i>	<i>(√) Place check mark if enclosed!</i>
_____	_____	Mortgage prequalification letter <b>(REQUIRED)</b>	_____ Letter
_____	_____	I am entitled to file a tax return.....	_____ 3 most recent federal & st. tax returns ... with all attachments (w-2 forms, etc.)
_____	_____	I am currently a student - (please circle below):.....	_____ Current transcript or letter from school
		(a) Full Time            (b) Part Time	
_____	_____	I am presently employed and receive wages/tips/commissions..	_____ 4 most recent pay statements... ...for every job held by everyone over 17.
_____	_____	I am presently employed at more than one job (NOT self employed)	_____ Schedule "C" and tax returns
_____	_____	I am self employed.....	_____ Current Profit and Loss statements
_____	_____	I own a business.....	_____ Letter from employer to verify status
_____	_____	I currently am on leave of absence from work.....	_____ 6 most recent statements from agency
_____	_____	I currently receive unemployment benefits.....	_____ 3 most recent statements from each acct
_____	_____	I have a savings account.....	_____ 6 most recent statements from each acct
_____	_____	I have a checking account.....	_____ 3 most recent statements from each acct
_____	_____	I have a money market account.....	_____ 3 most recent statements from each acct
_____	_____	I own a certificate of deposit (CD).....	_____ 3 most recent statements from each acct
_____	_____	I own stocks/bonds. (NOT held in a retirement plan).....	_____ 3 most recent statements from each acct
_____	_____	I own real estate or I am in the process of selling real estate.....	_____ Market value and mortgage statements
_____	_____	I have sold or gifted property or other assets in the past 2 years	_____ What was sold, the value and sale price
_____	_____	I have an IRA. (NOT yet receiving income).....	_____ 3 most recent statements from each acct
_____	_____	I have a pension plan at work (NOT yet receiving income).....	_____ 3 most recent statements from each acct
_____	_____	I receive Social Security Income.....	_____ Most recent benefit letter from SS Admin
_____	_____	I receive income from a pension/annuity/retirement fund.....	_____ 3 most recent statements from each acct
_____	_____	I receive money periodically from my family, church, friends, etc.	_____ Letter detailing the amount & frequency
_____	_____	I am entitled to receive child support.....	_____ 3 most recent statements from source
_____	_____	<b>I am currently paying child support.....</b>	_____ Proof of last 6 payments
_____	_____	I am entitled to receive alimony.....	_____ 3 most recent statements from source
_____	_____	<b>I am currently paying alimony.....</b>	_____ Proof of last 6 payments
_____	_____	I receive AFDC/TANF.....	_____ Most recent benefits letter
_____	_____	I receive assistance from a Public Housing Authority.....	_____ Most recent benefits letter
_____	_____	I receive Supplemental Social Security (SSI).....	_____ Most recent benefits letter
_____	_____	I receive Workman's Compensation.....	_____ 3 most recent statements from source
_____	_____	I have a Trust Fund.....	_____ 3 most recent statements from source
_____	_____	<b>Valid form of ID for every household member is required!</b>	_____ birth cert., driver's license or passport

Signature	Date	Signature	Date
Signature	Date	Signature	Date

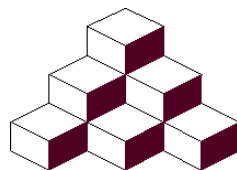
# **Borough of Demarest**

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## **Affordable Housing Services**

### **Operating Manual**

#### **SALES & RESALES**



**Piazza & Associates, Inc. ♦ 216 Rockingham Row ♦ Princeton, NJ 08540**

**T.609.786.1100 ♦ F.609-786-1105 ♦ [www.HousingQuest.com](http://www.HousingQuest.com)**

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- A. Equal Housing Opportunity Posters
- B. Annual Regional Income Limits Chart
- C. Application for Affordable Housing
- D. Applicant Questionnaire and Document Checklist
- E. Resale Procedures for Owners Wishing to Sell an Affordable Unit

## INTRODUCTION

This Operating Manual has been prepared to by Piazza & Associates, Inc., the Administrative Agent for the Borough of Demarest, to assist in the administration of for-sale units. General questions regarding its content can be addressed to Piazza & Associates, Inc. 216 Rockingham Row, Princeton, NJ 08540; by telephone to 609-786-1100; or by email at info@HousingQuest.com.

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

This manual explains the steps in the initial sale process and in the resale process. It describes the eligibility requirements for participation in the program, record keeping and overall program administration.

Implementation of any procedure, even if it is not included in this Operating Manual, shall be in accordance with the Federal Fair Housing Act and Equal Opportunities laws<sup>1</sup>, the Uniform Housing Affordability Controls (UHAC) N.J.A.C. 5:80-26.1 et seq.<sup>2</sup>, the substantive rules of the Council on Affordable Housing N.J.A.C. 5:96<sup>3</sup> and 5:97<sup>4</sup> and the affordable housing regulations of the Borough of Demarest (hereafter referred to as the “Regulations”).

## FAIR HOUSING AND EQUAL HOUSING OPPORTUNITIES



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

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<sup>1</sup> [https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/FHLaws](https://www.hud.gov/program_offices/fair_housing_equal_opp/FHLaws)

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

<sup>3</sup> <http://www.state.nj.us/dca/divisions/lps/hss/statsandregs/596.pdf>

<sup>4</sup> <http://www.state.nj.us/dca/divisions/lps/hss/statsandregs/597.pdf>

## **WHAT IS AFFORDABLE HOUSING?**

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

## **WHO QUALIFIES FOR AFFORDABLE HOUSING?**

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

The COAH (COAH shall mean COAH or its successors) Regional Income Limits Chart (Exhibit B) provides information about income limits for each of COAH’s six housing regions. Each region has different calculated median incomes, which are adjusted periodically. The Borough of Demarest is located in Bergen County, which is part of Region 1, together with Hudson, Passaic, and Sussex Counties.

## **LOCAL AFFORDABLE HOUSING PROGRAMS FOR PURCHASE**

Piazza & Associates, Inc. currently administers the affordable housing sale program in the Borough of Demarest:

- 1. Alpine Country Club:** Included in this development are 4 age-restricted, affordable homes.

A copy of the Borough of Demarest Housing Element and Fair Share Plan is available at municipal building, located at 118 Serpentine Road, Demarest, NJ 07627.

## **OTHER AFFORDABLE HOUSING PROGRAMS AND OPPORTUNITIES**

Affordable housing throughout the State of New Jersey is administered by a wide variety of organizations and agencies. Further information can be found at:

<http://www.nj.gov/dca/affiliates/coah/resources/looking.html>.

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

[http://www.nj.gov/dca/divisions/lps/hss/admin\\_files/muniliaisons.pdf](http://www.nj.gov/dca/divisions/lps/hss/admin_files/muniliaisons.pdf)

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

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

Piazza & Associates, Inc. also provides information on many affordable housing programs throughout the state of New Jersey. Detailed information about these affordable housing opportunities can be found at [www.HousingQuest.com](http://www.HousingQuest.com).

## **OVERVIEW OF THE AFFORDABLE HOUSING ADMINISTRATION PROCESS**

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

households will be notified as to their preliminary status. Applicants who live or work in Region 1 (Bergen, Hudson, Passaic, and Sussex Counties) will be given a preference, as required by the Borough of Demarest.

## **OVERVIEW OF THE NEW SALE PROCESS**

- An initial deadline date, no less than 60 days after the start of the marketing process, will be established. All of the preliminary applications received by Piazza & Associates, on or before the initial deadline date, shall be deemed received on that date.
- Households that apply for low and moderate income housing will be prescreened by Piazza & Associates for preliminary income eligibility by comparing their total income and household size to the low and moderate income limits adopted by COAH or its successors and other program restrictions that may apply. All households will be notified as to their preliminary status.
- A drawing will be held under the direction of Piazza & Associates to determine the priority order of the pre-qualified applications received on or before the initial deadline date. All preliminary applications received after the initial deadline, will be processed on a "first come, first served" basis after the applicants who were in the initial random selection.
- In order to ensure an adequate supply of qualified applicants, the advertising phase will continue until there are at least ten (10) pre-qualified applicants for each low and moderate income unit available, or until all of the low and moderate income units within the development have been sold.
- Final applications will be mailed by Piazza & Associates to an adequate number of pre-qualified applicants, in priority order, for each available low and moderate income unit. The final application will require the applicants to supply documents to verify their identity and household composition as well as their income and assets.
- Completed final applications will be forwarded to Piazza & Associates. Piazza & Associates will make a determination as to their eligibility for a low or moderate income unit. Applicants will receive a letter from Piazza & Associates with respect to the status of their application each time a review is performed.
- When submitting final applications, applicants will also be asked to provide a pre-qualification letter from a qualified lending institution.
- Certified applicants will be given 15 days to sign a sales agreement with the developer. Mortgage contingencies may not be an acceptable term of the agreement.
- The sales agreement may also limit closing to a reasonable time to be approved by Piazza & Associates in advance of the process.

## OVERVIEW OF THE RESALE PROCESS

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

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

- The Seller submits a Preliminary Notice and Request for Maximum Sale Price (MSP).
- The Administrative Agent will respond to the Seller in writing, explaining some of the details of the process and informing the Seller of the MSP. The MSP is calculated by using COAH's Annual Regional Income Limits Chart or approved alternative, and can be estimated on the Resale Calculator at [HousingQuest.com](http://HousingQuest.com) or on COAH's website.
- The Seller then submits a Final Notice of Intention to Sell to the Administrative Agent.
- The Administrative Agent will respond by sending 20 copies of Preliminary Applications to the Seller, specially marked with the address of the affordable home at the top.
- The Administrative Agent will send a "Notice of Availability" to households on the Borough waiting list for an affordable home of the same bedroom size and income category. The Notice will ask interested households to contact the Seller or their agent, directly, to make an appointment to see the affordable home within a two-week time frame. The Seller may want to prepare a flyer for us to distribute with the notice of availability. The Administrative Agent reserves the right to limit the number of notices that are mailed, based on the chronological order in which the prequalified applications were received. If the notices are limited in this way, applicants receiving notices will have a priority over those who do not.
- The Administrative Agent will affirmatively market the unit if there is no current applicant pool.
- The Seller or their agent may also want to advertise. Ads should include the "Equal Housing Opportunity" logo and should be sent to our office for review prior to distribution.
- The Seller or their agent, upon showing the home, provides potential buyers with a copy of the Preliminary Application (which may be duplicated if necessary).

- Interested households complete the application together with a mortgage pre-approval letter from a qualified lending institution.
- At the end of the two-week time period, the Administrative Agent collects all of the Preliminary Applications submitted for a particular home. These forms are prioritized on the basis of a blind selection process or lottery. Preference may be given to households that can utilize all of the bedrooms, as well as handicap accommodations, when applicable.
- The first applicant or two on the prioritized list is sent a letter which requires them to complete a final application within fourteen days. When an applicant is approved as a buyer, a copy of the approval letter is sent to the Seller and their agent.
- The Seller and the certified interested household (now Buyer) execute a “Contract of Sale.” The Administrative Agent ensures that the Deed, Recapture Mortgage, Recapture Mortgage Note and Disclosure Statement (Appendix J) form are submitted as part of the closing package to the attorney responsible for the closing or other closing agent.
- The remaining applicants are maintained on the waiting list for this home or other homes in the same size and income categories. In the event that the potential buyer is not able and/or willing to purchase the affordable home, the next applicant on the prioritized list is notified pursuant to the process described above.
- When an applicant is in second priority position to purchase an affordable home (the *original* home), and another home of the same size and type in the same municipality (the *next* home) becomes available within 90 days of the lottery date of the *original* home, the applicant will have the option to transfer priority from the *original* home to the *next* home. The following conditions will apply: This opportunity only applies to the *next* home of the same bedroom number and income category as the *original* home that becomes available within the 90-day period. This offer will be made only one time and only for the *next* home. It does not apply to other similar homes that become available. The applicant must have completed a final application and be pre-qualified for the *original* home in order to be considered. The applicant will be notified by phone that an alternate home is available. The applicant will then have 3 business days in which to view the *next* home and make the determination if he/she would like to pursue that purchase. If so, the applicant would relinquish the secondary priority position for the *original* home. Once the decision to transfer to the *next* home is made, the applicant cannot be reinstated to the secondary position for the *original* home if he/she is unable or unwilling to purchase the *next* home. Conversely, once the decision is made to remain in the secondary position for the *original* home, the applicant cannot then transfer to the *next* home if he/she is unable or unwilling to purchase the *original* home.

- A copy of the Sales Contract will be submitted to the Administrative Agent prior to closing. The terms of the contract (e.g., closing dates and mortgage contingencies) should be reasonable to both buyer and seller.
- During the final stages of the process, the Seller should provide a “Notice of Intent to Transfer Title” form. It will be necessary to make arrangements for the Mortgage and Note to be satisfied with respect to the Seller and new documents filed with respect to the Buyer.
- A copy of the TILA-RESPA or HUD Closing Statement (as applicable) will be submitted to the Administrative Agent. A certified copy of the recorded deed, the original recorded repayment mortgage and note, and the certificate of ownership should also be sent to the Administrative Agent after closing.
- The filing and recording of documents is the responsibility of the seller’s or buyer’s attorney, but the Administrative Agent may also elect to file the documents. Once all documents are filed and recorded, and returned to the Administrative Agent for inclusion in the file, the Administrative Agent will process a release of the original documents.
- Annually, the Administrative Agent shall send a mailing to the Owner of the affordable unit reminding them of the rights and requirements of owning an affordable unit.

This outline is meant to describe the process utilized prior to the expiration of the deed restrictions. It is not meant to be a legal representation of the rights or responsibilities of any party, nor is it meant to modify the Affordable Housing Agreement, Mortgage Note or other Deed Restrictions. Buyers and Sellers are encouraged to seek legal counsel for specific questions in this regard. The Administrative Agent is available to both the Seller and the Buyer throughout the process to answer any questions that they may have.

## **ROLES AND RESPONSIBILITIES**

### **Responsibilities of the Municipal Housing Liaison or MHL**

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 MHL 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 MHL 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 MHL 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 MHL.

**Coordinate meetings with Administrative Agents and Developers/Affordable Housing Sponsors/Owners.** When a new affordable unit or series of units is in the planning process, the MHL should coordinate a meeting between the Administrative Agent and the developer, affordable housing sponsor or owner. The developer, affordable housing sponsor or owner may serve as their own Administrative Agent, if they meet the applicable requirements and are approved by the municipality and COAH. 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.

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

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

### **Responsibilities of an Administrative Agent**

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

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

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

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

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

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

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

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

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

affordable units reminding them of the rights and requirements of owning an affordable unit.

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

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

**Preserve affordability controls during the sale of restricted units.** Immediately upon being notified of an Owner's intent to sell their property, an Administrative Agent should inform the Owner of the Owner's role in the marketing and sale of the home. An Administrative Agent is responsible for extinguishing the affordability controls with the Seller and re-establishing them with the Buyer. An Administrative Agent is responsible for providing closing attorneys/agents with the appropriate legal instruments.

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

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

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

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

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

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

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

### **Responsibilities of the Municipal Attorney**

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

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

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

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

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

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

### **Responsibilities of an Owner**

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

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

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

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

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

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

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

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

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

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

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

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

## **AFFIRMATIVE MARKETING**

### **Overview of the Requirements of an Affirmative Marketing Plan**

All affordable units are required to be affirmatively marketed using the Borough of Demarest'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 *Borough of Demarest's* Affirmative Marketing Plan can be found in the Exhibits.

Every Affirmative Marketing Plan will 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.

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

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

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

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

### **Regional Preference**

The Borough of Demarest has by ordinance provided that households that live or work in COAH Housing Region #1, comprising Bergen, Hudson, Passaic and Sussex 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.

Regional Preference is screened at the Final Application stage of the process.

## **Implementation of the Affirmative Marketing Plan**

The affirmative marketing process for new affordable units shall begin at least four months prior to expected occupancy. In implementing the marketing program, the Administrative Agent shall undertake all of the strategies outlined in the Borough of Demarest 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 Administrative Agent for re-sales.

When a resale affordable unit becomes available, the applicants will be selected from the applicant pool and the unit will be affirmatively marketed as described in the Resale process, above

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

## **Developer, Affordable Housing Sponsor**

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

## **RANDOM SELECTION & APPLICANT POOL(S)**

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

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

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

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

At the end of the 60-day period, the Administrative Agent arranges a time and date for the random selection process to take place. The MHL and a representative of the developer are invited and encouraged to attend. An announcement of the time and date is made by way of an email blast to those applicants who voluntarily sign up for this service through [www.HousingQuest.com](http://www.HousingQuest.com).

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

At the random selection, a website is used to generate a random list of numbers. The numbers are applied to the list in the order that was prearranged. A copy of the random numbers and the final list are sent to the MHL for verification and file.

All applicants are assigned a random number. A random number does not guarantee that the applicant will be deemed eligible. Applicants who submit more than one application and receive more than one priority number will forfeit the lower number with the highest priority.

When units become available, final applications are sent in the prioritized order as specified previously. 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. On-going marketing is done primarily through [www.HousingQuest.com](http://www.HousingQuest.com).

For re-sales, applications received subsequent to the initial random selection may be subject to a random selection on a per-unit basis.

## **MATCHING HOUSEHOLDS TO AVAILABLE UNITS**

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

- Provide an occupant for each unit bedroom;
- Prevent more than two persons from occupying a single bedroom; and
- Require that all the bedrooms be used as bedrooms.

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

## **APPLICATION FEES**

The Administrative Agent does not charge a fee to applicants.

## **HOUSEHOLD CERTIFICATION**

Before any household can purchase a restricted unit, the Administrative Agent will 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 18 years of age or older. 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.

### **Household Composition and Circumstances**

Generally, a Household is defined as everyone who intends to reside in the affordable unit. Temporarily absent members of a household will be counted in very limited circumstances, such as a member of the military in active duty. Unborn children and children in the process of being adopted shall be counted as members of the household.

The following are generally excluded from the household for the purposes of income qualifying, but may be considered by the Administrative Agent for the purposes of determining the size of the unit: live-in aid, foster children and children who live in the household with less than 50% joint physical custody.

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
- Driver's License
- Birth Certificate or Passport
- Alien Registration Card
- Divorce Decree and Settlement Agreement
- Adoption Agency / Legal Correspondence and/or Certification

- Correspondence / Certification from Foster Care Services
- Doctor's Authorization for Live-in Aid.
- The Administrative Agent always reserves the right to require any other such documentation that, in its sole discretion, it deems necessary to verify composition.

### **Procedure for Income-Eligibility Certification**

To calculate income, the current gross income of the applicant is used to project that income over the next 12 months. Applicants may NOT change or modify their situation relative to their income once they have submitted a Final Application.

Through the submission of the Final Application, 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. The application and a schedule of required documentation can be found in Exhibits C and D. Generally the documentation required is as follows:

- Four current consecutive pay stubs, including bonuses, overtime or tips, or a signed and dated 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 current monthly benefits such as
  - Social Security or SSI – Award letter or computer print out letter
  - Unemployment – verification of Unemployment Benefits
  - Welfare -TANF<sup>5</sup> current award letter
  - Disability - Worker's compensation letter
  - Pension income – a pension letter.
- A letter or appropriate reporting form verifying any other sources of income claimed by the applicant, such as alimony, child support and education stipends.

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<sup>5</sup> TANF – Temporary Assistance for Needy Families

- 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.
- 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 a contract with a real estate broker which sets forth the price of the property and Bank/Mortgage Co. Statement indicating Current Mortgage Balance. For rental property, attach copies of all leases.
- The Administrative Agent always reserves the right to require any other such documentation that, in its sole discretion, it deems necessary to verify household income.

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 and regular distributions from retirement accounts
5. Social security benefits
6. Unemployment compensation (annualized)
7. TANF
8. Verified regular child support
9. Disability benefits
10. Net income from business or real estate
11. Actual interest income from assets such as savings, certificates of deposit, money market accounts, mutual funds, stocks, bonds

12. Imputed interest (using the current HUD Passbook Rate) from non-income producing assets, such as checking accounts, cash on hand, and equity in non-income producing real estate.
13. Net rental income from real estate
14. Non-tuition stipends for living expenses for students
15. Non-Governmental financial support
16. Any other forms of regular income reported to the Internal Revenue Service
17. Regular financial support from any source.

***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

***Deduction from Income***

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

***Student Income***

Only full-time income of full-time students is included in the income calculation. A full-time student is a member of the household who is enrolled in a qualifying education program for 12 credit hours or more per semester; and part-time income is income earned on less than a 35-hour workweek. Full time income (35 hours or more) for full-time students is always counted.

## **The Real Estate Asset Limit**

Except for federal programs, if an applicant's primary residence, which is to be sold upon purchase of an affordable unit, has no mortgage debt and is valued at or above the regional asset limit as published annually by COAH or their successor as part of the Annual Regional Income Limits Chart, the household will 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 will provide a recent, Market Value Appraisal, 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.

## **Income from Real Estate**

If real estate owned by an applicant for affordable housing is a rental property, the net revenue is considered income. Specifically, rent from real estate is considered income, after deduction of any mortgage payments, real estate taxes, property owner's insurance and reasonable property management expenses as reported to the Internal Revenue Service. Other expenses are not deductible. If actual rent is less than fair market rent, the administrative agent shall impute a fair market rent.

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 HUD Passbook Savings Rate, interest will be imputed on the determined value of the real estate.

## **Maximum Monthly Payments**

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

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

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

### **Housing Counseling**

The Administrative Agent will provide referrals for counseling, as a part of its services. 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. 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.

In addition, the Administrative Agent will:

- 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 18 years of age or older 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.
- Seek to ensure, to a reasonable degree, that 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.

### **Approving or Rejecting a Household**

Administrative Agents will 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.

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 applicant does not sign a Sales Agreement within that time frame, an extension may be granted once the household's eligibility is updated and verified.

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

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

### **Dismissal of Applications**

Applications can be dismissed for the following reasons:

1. The application is not signed or submitted on time;
2. The applicant's sources of income or household composition changes after the submission of the final application, but before approval;
3. The applicant commits fraud, or the application is not truthful or complete;
4. The applicant cannot or does not provide documentation to verify their income or other required information when due;
5. The household income does not meet the minimum or maximum income requirements for a particular property;
6. The applicant owns an asset that exceeds the Asset Limits for COAH properties;
7. The applicant fails to respond to any inquiry in a timely manner;
8. The applicant had a greater chance than any other applicant submitted for a random selection;
9. The applicant is non-cooperative or abusive with the our staff, property managers or the sellers of affordable units;

10. The applicant changes address or other contact information without informing us in writing;
11. The applicant is unable to obtain suitable and legitimate financing for a sale unit or fails to verify attendance in a home buyer credit counseling program when required to do so by the program rules;
12. The applicant does not respond to a periodic update inquiry in a timely fashion;
13. The applicant fails to sign the Compliance Certification, Certificate for Applicant; Lease Documents, Contract for Sale, Affordable Housing Agreement and/or Deed Restrictions as may be required; or
14. The applicant, once approved, fails to close on a sale in a timely manner.

Applicants will also be withdrawn from all lists held by us in the Borough of Demarest once they have been approved for an affordable unit within that same municipality. However, these applicants may re-apply for other opportunities in that municipality once they have occupied their unit. Applicants withdrawn for fraud may be withdrawn from all programs administered by Piazza & Associates, Inc., and may be subject to prosecution under the law.

Applicants who are withdrawn and who wish to re-apply to that specific program may do so using a new Preliminary Application. The new Preliminary Application will NOT be given preferential treatment, but will be processed in the same way that all new Preliminary Applications for that specific program are processed. In the event that an application list is closed when the application is withdrawn, the applicant will be required to wait until the list is re-opened to apply again.

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, uncooperative behavior or other serious matters.

## **Appeals**

Appeals from all decisions of an Administrative Agent shall be made in writing to the Municipal Housing Liaison, Borough of Demarest; or the Executive Director of the New Jersey Housing and Mortgage Finance Agency.

## **DETERMINING AFFORDABLE SALES PRICES**

### **Development Considerations and Compliance Issues**

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

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

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

**Age-restricted Units.** Affordable age-restricted units are not held to these bedroom distribution standards. For affordable age-restricted units, the number of age-restricted low- and moderate-income bedrooms will be equal to or greater than the number of age-restricted units within the development. In other words, the average bedroom size in an age-restricted development will be equal to or greater than one bedroom per unit. For example, if the overall age-restricted development is 25 percent efficiencies, and 50 percent one-bedroom units, and 25 percent two-bedroom units, that equals an overall development bedroom size of exactly one bedroom per unit. An age-restricted development can meet this standard by creating all one-bedroom units or by creating a two-bedroom unit for each efficiency unit, or any other combination that will equal a minimum of one bedroom per unit.

**Pricing by Household Size.** Initial sales prices and rents are based on targeted “model” household sizes for each size home as determined by the number of bedrooms. Initial sales prices and rents will 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.

The above rules are only to be used for setting initial sales prices. They are not guidelines for matching household sizes with unit sizes.

## **Determining Maximum Initial Sales Price**

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

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

## **Additional Regulations for an Ownership Development**

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

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

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

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

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

## **Determining Resale Prices**

Calculating the maximum resale price (MRP) for an ownership unit involves applying the annual percentage increase corresponding with each calendar year since the Seller bought the house. No increase is permitted during the balance of the calendar year immediately after the sale. A Resale Price Calculator has been created by the Administrative Agent to provide an estimate of the MRP to owners of affordable homes. It can be accessed at

[www.HousingQuest.com](http://www.HousingQuest.com), by clicking on “Resale Calculator” on the menu bar and choosing the municipality in which your affordable home is located. In the alternative, homeowners can also call Piazza & Associates, Inc., at 609-786-1100, and request a verbal estimate by phone. The official MRP can only be given in writing in response to a written request, together with a copy of the recorded deed.

### **Requests for Increases in Maximum Sales Price**

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

## **WAIVERS AND EXEMPTIONS<sup>6</sup>**

### **Hardship and Income Waivers**

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

- The Owner’s employer is temporarily sending the Owner to a work place a great distance from the Owner’s home, and the employer expects the Owner to resume work for the employer back at home within the next 12 months.
- The Owner is called up for military service

An Owner of a low-income unit may request that the unit be sold to a household whose income exceeds the established income eligibility criteria for a low-income household, but does not exceed the income criteria for a moderate-income household, by submitting a written request for an Income Waiver to the Administrative Agent. The Owner will demonstrate that this request is consistent with the following reasons for an Income Waiver:

- The unit is in marketable condition as determined by the Administrative Agent.
- The Owner has made a good faith effort to sell the unit to a certified household for no less than six (6) months, in accordance with procedures required by the Administrative Agent and no certified household has made a “reasonable” offer during the that six-month period.

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<sup>6</sup> Revised 4.24.08

- The Owner has demonstrated a willingness to consider price offers lower than the maximum allowable resale price, taking into account current market conditions and the marketability of the unit.
- The Owner has advertised the unit's availability in newspapers and other locations likely to be noticed by potential purchasers, or has engaged the services of a qualified real estate agent to sell the home.

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

Upon receipt of a request for an Income Waiver,<sup>7</sup> the municipality shall have first option to purchase the unit at the approved resale price and holding, renting or conveying it to a certified household. The municipality shall have 30 days in which to exercise this option.

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

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

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

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

### **Exempt Transactions**

The following title transactions shall be deemed exempt transactions and, when requested, the Administrative Agent shall provide the Owner receiving title with written confirmation of the exemption to those restrictions that determine occupancy of the unit.

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<sup>7</sup> Rev 5.16.08

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

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

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

The Owner shall notify the Administrative Agent in writing of any proposed transaction that requires approval as an exempt transaction. The Owner shall supply the Administrative Agent with all necessary documentation to demonstrate that the transaction qualifies as an exemption as defined above.

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

## **VIOLATIONS, DEFAULTS AND REMEDIES**

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

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

## **MAINTENANCE OF RECORDS AND APPLICANT FILES**

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

The Administrative Agent will maintain detailed records on all marketing initiatives.

### **Files To Be Maintained on Every Applicant**

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

- Application Form.
- Income Verification
- Letter of Certification of Eligibility or Letter of Determination of Ineligibility.

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

### **Files To Be Maintained on Every Unit**

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

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

### **Files To Be Maintained on Every Project**

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

- Condominium Master Deed
- Condominium Public Offering

## **Files To Be Maintained on The Applicant Pool**

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

## **Monitoring**

A sample Deed will be submitted for each project. Additionally, the current annual monitoring information required to be maintained and reported annually to the Municipal Housing Liaison can be found on COAH's website. The information required for each unit includes but is not limited to:

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



**EQUAL HOUSING  
OPPORTUNITY**

**We Do Business in Accordance With the Federal Fair  
Housing Law**

(The Fair Housing Amendments Act of 1988)

**It is illegal to Discriminate Against Any Person  
Because of Race, Color, Religion, Sex,  
Handicap, Familial Status, or National Origin**

- In the sale or rental of housing or residential lots
- In the provision of real estate brokerage services
- In advertising the sale or rental of housing
- In the appraisal of housing
- In the financing of housing
- Blockbusting is also illegal

Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination:

1-800-669-9777 (Toll Free)

1-800-927-9275 (TTY)

**U.S. Department of Housing and  
Urban Development  
Assistant Secretary for Fair Housing and  
Equal Opportunity  
Washington, D.C. 20410**

# New Jersey Law Prohibits Discrimination in Housing

**ON THE BASIS OF:** Race, Creed, Color, National Origin, Ancestry, Nationality, Marital or Domestic Partnership or Civil Union Status, Familial Status, Sex, Gender Identity or Expression, Affectional or Sexual Orientation, Disability, Source of Lawful Income or Source of Lawful Rent Payment (including Section 8)

**BY:** All Persons including Real Estate Agents or Brokers, Financial Institutions, Property Owners, Landlords, or Building Superintendents, and Their Agents and Employees

**WITH RESPECT TO:**

- The Sale, Rental or Lease of Real Property
- Listing or Advertising of Real Property
- Receipt or Transmittal of Offers to Purchase or Rent Real Property
- Application and Terms of a Mortgage or Other Loan

**REMEDY MAY INCLUDE:** An Order Restraining Unlawful Discrimination, Reimbursement for Financial Loss, Damages for Pain and Humiliation Experienced as a Result of Unlawful Discrimination, Punitive Damages, and Attorney's Fees

*It is also unlawful to publish real estate advertisements which express any discrimination against persons protected by the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1 et seq.*

**Violations Should Be Reported To the Nearest Office  
of the NJ Division on Civil Rights or Call Toll Free at 866-405-3050**

**Atlantic City**  
26 S. Pennsylvania Avenue, 3<sup>rd</sup> Floor  
Atlantic City, NJ 08401  
(609) 441-3100 (Phone)

**Camden**  
One Port Center  
2 Riverside Drive, 4<sup>th</sup> Floor  
Camden, NJ 08103  
(856) 614-2550 (Phone)

**Newark**  
31 Clinton Street, 3<sup>rd</sup> Floor  
Newark, NJ 07102  
(973) 648-2700 (Phone)

**Trenton**  
140 East Front Street, 6<sup>th</sup> Floor  
Trenton, NJ 08625  
(609) 292-4605 (Phone)

**[www.NJCivilRights.gov](http://www.NJCivilRights.gov)**

*The regulations of the New Jersey Division on Civil Rights require that all real estate brokers and persons who engage in the business of selling or renting real property who are covered by the New Jersey Law Against Discrimination shall display this official poster in places easily visible to all prospective tenants and purchasers. N.J.A.C. 13:8-1.3.*



**CIVIL RIGHTS**

**NEW JERSEY COUNCIL ON AFFORDABLE HOUSING  
2014 AFFORDABLE HOUSING REGIONAL INCOME LIMITS**

		1 Person	*1.5 Person	2 Person	*3 Person	4 Person	*4.5 Person	5 Person	6 Person	7 Person	8 Person	Max. Increase**		Regional Asset Limit***
													Rents	
<b>Region 1</b>	<i>Median</i>	\$59,095	\$63,317	\$67,538	\$75,980	\$84,422	\$87,799	\$91,176	\$97,930	\$104,683	\$111,437			\$163,245
Bergen, Hudson, Passaic and Sussex	<i>Moderate</i>	\$47,276	\$50,653	\$54,030	\$60,784	\$67,538	\$70,239	\$72,941	\$78,344	\$83,747	\$89,150			
	<i>Low</i>	\$29,548	\$31,658	\$33,769	\$37,990	\$42,211	\$43,899	\$45,588	\$48,965	\$52,342	\$55,719	1.8%	0.00%	
	<i>Very Low</i>	\$17,729	\$18,995	\$20,261	\$22,794	\$25,327	\$26,340	\$27,353	\$29,379	\$31,405	\$33,431			
<b>Region 2</b>	<i>Median</i>	\$63,430	\$67,961	\$72,492	\$81,553	\$90,614	\$94,239	\$97,864	\$105,113	\$112,362	\$119,611			\$173,844
Essex, Morris, Union and Warren	<i>Moderate</i>	\$50,744	\$54,369	\$57,993	\$65,242	\$72,492	\$75,391	\$78,291	\$84,090	\$89,890	\$95,689			
	<i>Low</i>	\$31,715	\$33,980	\$36,246	\$40,777	\$45,307	\$47,120	\$48,932	\$52,556	\$56,181	\$59,806	1.8%	0.00%	
	<i>Very Low</i>	\$19,029	\$20,388	\$21,747	\$24,466	\$27,184	\$28,272	\$29,359	\$31,534	\$33,709	\$35,883			
<b>Region 3</b>	<i>Median</i>	\$73,500	\$78,750	\$84,000	\$94,500	\$105,000	\$109,200	\$113,400	\$121,800	\$130,200	\$138,600			\$199,936
Hunterdon, Middlesex and Somerset	<i>Moderate</i>	\$58,800	\$63,000	\$67,200	\$75,600	\$84,000	\$87,360	\$90,720	\$97,440	\$104,160	\$110,880			
	<i>Low</i>	\$36,750	\$39,375	\$42,000	\$47,250	\$52,500	\$54,600	\$56,700	\$60,900	\$65,100	\$69,300	1.8%	0.00%	
	<i>Very Low</i>	\$22,050	\$23,625	\$25,200	\$28,350	\$31,500	\$32,760	\$34,020	\$36,540	\$39,060	\$41,580			
<b>Region 4</b>	<i>Median</i>	\$64,830	\$69,461	\$74,091	\$83,353	\$92,614	\$96,319	\$100,023	\$107,432	\$114,841	\$122,250			\$174,209
Mercer, Monmouth and Ocean	<i>Moderate</i>	\$51,864	\$55,568	\$59,273	\$66,682	\$74,091	\$77,055	\$80,018	\$85,946	\$91,873	\$97,800			
	<i>Low</i>	\$32,415	\$34,730	\$37,046	\$41,676	\$46,307	\$48,159	\$50,012	\$53,716	\$57,421	\$61,125	1.8%	0.00%	
	<i>Very Low</i>	\$19,449	\$20,838	\$22,227	\$25,006	\$27,784	\$28,896	\$30,007	\$32,230	\$34,452	\$36,675			
<b>Region 5</b>	<i>Median</i>	\$57,050	\$61,125	\$65,200	\$73,350	\$81,500	\$84,760	\$88,020	\$94,540	\$101,060	\$107,580			\$151,043
Burlington, Camden and Gloucester	<i>Moderate</i>	\$45,640	\$48,900	\$52,160	\$58,680	\$65,200	\$67,808	\$70,416	\$75,632	\$80,848	\$86,064			
	<i>Low</i>	\$28,525	\$30,563	\$32,600	\$36,675	\$40,750	\$42,380	\$44,010	\$47,270	\$50,530	\$53,790	1.8%	0.00%	
	<i>Very Low</i>	\$17,115	\$18,338	\$19,560	\$22,005	\$24,450	\$25,428	\$26,406	\$28,362	\$30,318	\$32,274			
<b>Region 6</b>	<i>Median</i>	\$51,085	\$54,734	\$58,383	\$65,681	\$72,979	\$75,898	\$78,817	\$84,656	\$90,494	\$96,332			\$136,680
Atlantic, Cape May, Cumberland and Salem	<i>Moderate</i>	\$40,868	\$43,787	\$46,707	\$52,545	\$58,383	\$60,719	\$63,054	\$67,725	\$72,395	\$77,066			
	<i>Low</i>	\$25,543	\$27,367	\$29,192	\$32,841	\$36,490	\$37,949	\$39,409	\$42,328	\$45,247	\$48,166	1.8%	0.00%	
	<i>Very Low</i>	\$15,326	\$16,420	\$17,515	\$19,704	\$21,894	\$22,769	\$23,645	\$25,397	\$27,148	\$28,900			

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

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

\*\* This column is used for calculating the pricing for resale and rent increases for units as per N.J.A.C. 5:97-9.3. However, low income tax credit developments may increase based on the low income tax credit regulations. Landlords who did not increase rent in 2012 may increase rent by the combined 2012 and 2013 increase, or 3 percent.

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

Since the COAH Regional Income Limits for 2013 were higher than 2014 figures, the 2013 income limits, shown above, will remain in force for 2014 and until Regional Income Limits surpass the 2013 Regional Income Limits.

PROPERTY / DEVELOPMENT NAME: \_\_\_\_\_

PROPERTY ADDRESS: \_\_\_\_\_

EXHIBIT C

NAME OF APPLICANT: \_\_\_\_\_

## AFFORDABLE HOUSING APPLICATION

**Read this application carefully and return it with the required documentation.**

**We reserve the right to disqualify applicants who do not submit ALL of the documentation requested in this application packet. Please complete, sign and return this application AND the required documentation to:**

**Piazza & Associates, Inc., 216 Rockingham Row, Princeton, NJ 08540.**



Federal law prohibits 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. State law prohibits discrimination on the basis of race, creed, color, national origin, ancestry, nationality, marital or domestic partnership or civil union status, familial status, sex, gender identity or expression, affectional or sexual orientation, disability, source of lawful income or source of lawful rent payment (including Section 8). The affordable housing must be the intended primary residence of the applicant. All household members who intend to reside at the affordable home must be listed in the application. If changes in household composition occur during the application process, the applicant is required to notify Piazza & Associates, Inc. immediately. Applications may be withdrawn if the household composition or sources of income changes after the submission of this application. Applications must be truthful, complete and accurate. Any false statement makes the application null and void, and subjects the applicant to penalties imposed by law. **Income Verification:** The affordable homes are provided as a service to low- and moderate- income households. Occupancy is regulated by certain municipal and state statutes that require us to verify the income of every applicant. Your cooperation is appreciated.

**Identification.** Please include a photocopy of identification for every person who will reside in the affordable home. Typically, a birth certificate, drivers license or passport will be sufficient. **Verification of Income.** Every applicant must submit a copy of each of the most recent three (3) years of signed state and federal tax returns (1040). Please include all accompanying documents such as W2 form(s), 1099's etc. If the applicant has not filed a return in any of the three (3) previous years, he / she must submit a notarized letter of explanation. Every applicant must submit the six (6) most recent statements from every Checking account and three (3) statements from every other bank and financial account (including, Savings, CD's, Money Market Accounts, etc.) to which the applicant is a depositor or signatory. **All sources of income must be verified.** Acceptable forms of verification include... **Salary:** Four (4) most recent pay statement (stubs). **Social Security:** A letter from the Social Security Administration. **Public Assistance:** A letter from the appropriate agency which details the amount and frequency of the benefit. **Alimony and Child Support:** The separation or divorce agreement which details the amount and frequency of child support or alimony received by the applicant. **Pension Plan, IRA, Annuity** and/or other retirement account, plan or service under which the applicant receives an income or financial distribution: The most recent statement for each which clearly indicates the amount and frequency of the distribution. In lieu of a statement, a letter of verification from the appropriate authority will be considered. **Savings Bonds:** A copy of all bonds held by the applicant(s). **Stocks, Bonds, Treasury Bills and Notes or other financial instruments** which are owned in whole or in part by the applicant: The most recent statement which verifies the value of the assets and current dividends (if any). If these are not available, a notarized letter from a Certified Public Accountant or attorney who has access to these records will be considered. **Real Estate:** If the real estate is the current residence of the applicant, and if the applicant intends to sell the real estate, submit one of the following: a certified appraisal, a contract with a real estate broker which sets forth the price of the property, or a signed contract for the sale of the property. If there is a mortgage, a statement from the mortgage company or bank which clearly indicates the principal balance of the mortgage(s) must be submitted. If other real estate is owned, in whole or in part by the applicant, and that parcel or parcels of real estate generate(s) income, verification of income must be supplied. In addition, verification of mortgage payments, property taxes and insurance should be submitted. **Business Income:** Equals the sum of gross revenue less expenses (prior to taxes). **Important: Answer all questions.** Please answer "none" in the sections which ask for information about income that you do not have. Enter "n/a" if a question does not apply to you. If you have any questions, or are in need of further information, please call us: (609) 786-1100, or contact us by e-mail at [Info@HousingQuest.com](mailto:Info@HousingQuest.com).

Application services provided by Piazza & Associates, Inc., an affordable housing services corporation. This is an Equal Housing Opportunity. All housing is subject to applicable affordable housing regulations and availability. The terms and conditions of this affordable housing opportunity are subject to change without notice. We can not guarantee that an affordable home will be available to you. All homes meet certain criteria for "affordable housing," but the sales prices and rental rates are **not** adjusted to meet any specific household income or financial situation. Therefore, we can not and do not represent that these homes will be affordable to any individual applicant.

**DO NOT FAX. WE CAN NOT ACCEPT A FACSIMILE OF YOUR FINAL APPLICATION! DO NOT FAX.**

**PLEASE CALL US IF YOU NEED CLARIFICATION OR FURTHER INSTRUCTIONS: (609) 786-1100.**

**A. Head of Household Information** (Please verify the information below and make corrections if necessary.)

1. Last Name: _____	5. Soc. Sec. No: _____
2. First Name: _____	6. Home Phone: _____
3. Home Address: _____	7. Work Phone: _____
4. City/State/ Zip: _____	8. County: _____
	9. Email: _____

**B. Household Composition** (Every person who will occupy the affordable home must be listed.)

Name (First and Last)	Relation To	Date of Birth	Sex	Social Security Number
#1				
#2				
#3				
#4				
#5				
#6				

**C. Current Situation**

- |  |   |
|--|---|
| 1. Do you currently: ___ Rent ___ Own ___ Other<br>2. How long at the address above? _____ Years<br>3. What was your previous address?<br>_____<br>City: _____<br>State: ___ Zip Code: _____ | 4. What is your monthly rent or mortgage payment?<br>\$ _____<br>5. If you currently own your home, what is the value of this home?<br>\$ _____<br>6. What is the Principal Balance of your mortgage?<br>\$ _____ |
|--|---|

**D. References**

**If you rent**, please check "Landlord" and list the name and address of your landlord below. **If you own** your home, please check "Mortgage Co." and list the name and address of the mortgage company and account number below.

1. Name of \_\_\_ Landlord or \_\_\_ Mortgage Co.: \_\_\_\_\_
2. Address: \_\_\_\_\_
3. City, State and Zip Code: \_\_\_\_\_
4. Telephone Number: \_\_\_\_\_
5. Mortgage Account No.: \_\_\_\_\_

**If you own** your home, please attach documentation verifying the value of the home and mortgage principal amount.



**G. Assets: Financial Institutions** (Checking Account, Savings Accounts, Certificates of Deposit, Money Market Funds, Mutual Funds or other assets held by financial institutions. Provide documentation. Refer to Instructions.)

Type of Asset or Account	Financial Institution	Account Number	Current Market Value of Asset	Interest Rate	Annual Income
			\$	%	\$
			\$	%	\$
			\$	%	\$
			\$	%	\$
			\$	%	\$
			\$	%	\$
			\$	%	\$

**H. Assets: Directly Held** (Stocks, Bonds, Income-Producing Real Estate, Business or other directly held assets. Provide documentation. To determine the Annual Income from Real Estate or Business, refer to the Instructions.)

Type of Asset	Name of Asset	Number of Shares	Current Market Value	Annual Income
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$
			\$	\$

**I. Marital Status:**  Married;  Single;  Divorced;  Widowed;  Legally Separated

**J. Additional Information** (Please include any information which will assist us in serving you such as special needs, accessibility requirements, etc.) \_\_\_\_\_

**Applicant's Certification and Authorization:** The undersigned hereby states that all the information provided in connection with this Affordable Housing Application is true and complete. I/We am/are aware that, if any statements made by me/us are willingly false, the application is null and void, and I/we may be subject to penalties imposed by law. Piazza & Associates, Inc. or its agents are hereby authorized to contact references to verify the information provided in these applications, and to make other inquiries regarding income, assets, credit status, employment, and residency history for the purpose of determining my/our eligibility for this affordable housing program. Further, I/we understand that there is no obligation at this time on my/our part to enter into a sales or rental agreement if the application is approved. **Void if not signed by all Applicants 18 years of age and over.**

Signed: \_\_\_\_\_ Signed: \_\_\_\_\_

# EXHIBIT D

## APPLICANT QUESTIONNAIRE

## & DOCUMENT CHECKLIST

This questionnaire must be filled out and signed by all applicants over the age of 17.

Rev. 09/06/12

**ATTENTION: DO NOT SUBMIT ORIGINALS!** Documents cannot be returned.

### IMPORTANT

**If you answer yes, you must submit  
a COPY of all of the required documents!**

Applicant/Tenant Name: \_\_\_\_\_

**Applicant/Tenant: Please check "yes" or "no" for each line**

<b>Yes</b>	<b>No</b>	<i>Check "Yes" if the answer applies to one or more applicants.</i>	
_____	_____	Mortgage prequalification letter <b>(REQUIRED)</b>	(√) <i>Place check mark if enclosed!</i>
_____	_____	I am entitled to file a tax return.....	_____ Letter
_____	_____	I am currently a student - (please circle below):.....	_____ 3 most recent federal & st. tax returns
		(a) Full Time            (b) Part Time	_____ ... with all attachments (w-2 forms, etc.)
_____	_____	I am presently employed and receive wages/tips/commissions..	_____ Current transcript or letter from school
_____	_____	I am presently employed at more than one job (NOT self employed)	_____ 4 most recent pay statements...
_____	_____	I am self employed.....	_____ ...for every job held by everyone over 17.
_____	_____	I own a business.....	_____ Schedule "C" and tax returns
_____	_____	I currently am on leave of absence from work.....	_____ Current Profit and Loss statements
_____	_____	I currently receive unemployment benefits.....	_____ Letter from employer to verify status
_____	_____	I have a savings account.....	_____ 6 most recent statements from agency
_____	_____	I have a checking account.....	_____ 3 most recent statements from each acct
_____	_____	I have a money market account.....	_____ 6 most recent statements from each acct
_____	_____	I own a certificate of deposit (CD).....	_____ 3 most recent statements from each acct
_____	_____	I own stocks/bonds. (NOT held in a retirement plan).....	_____ 3 most recent statements from each acct
_____	_____	I own real estate or I am in the process of selling real estate.....	_____ Market value and mortgage statements
_____	_____	I have sold or gifted property or other assets in the past 2 years	_____ What was sold, the value and sale price
_____	_____	I have an IRA. (NOT yet receiving income).....	_____ 3 most recent statements from each acct
_____	_____	I have a pension plan at work (NOT yet receiving income).....	_____ 3 most recent statements from each acct
_____	_____	I receive Social Security Income.....	_____ Most recent benefit letter from SS Admin
_____	_____	I receive income from a pension/annuity/retirement fund.....	_____ 3 most recent statements from each acct
_____	_____	I receive money periodically from my family, church, friends, etc.	_____ Letter detailing the amount & frequency
_____	_____	I am entitled to receive child support.....	_____ 3 most recent statements from source
_____	_____	<b>I am currently paying child support.....</b>	_____ Proof of last 6 payments
_____	_____	I am entitled to receive alimony.....	_____ 3 most recent statements from source
_____	_____	<b>I am currently paying alimony.....</b>	_____ Proof of last 6 payments
_____	_____	I receive AFDC/TANF.....	_____ Most recent benefits letter
_____	_____	I receive assistance from a Public Housing Authority.....	_____ Most recent benefits letter
_____	_____	I receive Supplemental Social Security (SSI).....	_____ Most recent benefits letter
_____	_____	I receive Workman's Compensation.....	_____ 3 most recent statements from source
_____	_____	I have a Trust Fund.....	_____ 3 most recent statements from source
_____	_____	<b>Valid form of ID for every household member is required!</b>	_____ birth cert., driver's license or passport

Signature	Date	Signature	Date
Signature	Date	Signature	Date

**Process for Selling an Affordable Home**

Our organization coordinates certain aspects of the sales process for affordable homes on behalf of your municipality. We are not real estate agents, however, and recommend that Sellers use of a qualified real estate professional. Information regarding real estate agents who have expressed interest in providing such services can be found on our web site: [www.HousingQuest.com](http://www.HousingQuest.com), under “News and Information.” The process is outlined below.

1. The Seller submits a Preliminary Notice with a copy of their recorded deed in order to determine the maximum resale price
2. We will respond to the Seller in writing, explaining some of the details of the process and informing the Seller of the Maximum Sales Price (based on the change in median income as set forth by the New Jersey Dept. of Community Affairs) as well as the Maximum Income allowed for potential purchasers, as adjusted for family size. A form, entitled, “Notice of Intent to Sell”, is attached.
3. We will also send a “Notice of Availability” to households on our waiting list for an affordable home of the same size and income category. We will include about 20 copies of Preliminary Applications, specifically marked with the address of the affordable home at the top, to the Seller. The Notice will ask interested households to contact the Seller or their agent, directly, to make an appointment to see the affordable home within a two-week time frame. The Seller may want to prepare a flyer for us to distribute with our notice of availability. We reserve the right to limit the number of notices that are mailed, based on the chronological order in which the prequalified applications were received. If the notices are limited in this way, applicants receiving notices will have a priority over those who do not.
4. With permission of the Seller, we automatically place a notification of the availability on NJHRC.gov and on HousingQuest.com. The Seller or their agent may also want to advertise. Ads should include the “Equal Housing Opportunity” logo and should be sent to our office for review prior to distribution.
5. The Seller or their agent, upon showing the home, provides potential buyers with a copy of the Preliminary Application (which may be duplicated if necessary). All interested parties must receive a specially marked Preliminary Application, whether or not they have already submitted an application to our office or are on our waiting list. Also, the Seller or their agent must keep a record of the name, address and telephone number of everyone who viewed the home.
6. At the end of the two-week time period, our office collects all of the Preliminary Applications submitted for a particular home. They are prioritized on the basis of a blind selection process or lottery. Preference may be given to households that can utilize all of the bedrooms, as well as handicap accommodations, when applicable.
7. The first two applicants on the prioritized list are sent a letter which requires them to complete a final application within seven days.

8. When an applicant is approved, the Seller may begin to negotiate a contract with the potential Buyer at this time, but there must be a contingency clause in the contract which voids the contract, without penalty to the buyer, if the potential buyer is not able to obtain financing within 30 days.
9. The remaining applicants are maintained on the waiting list for this home or other homes in the same size and income categories. In the event that the potential buyer is not able and/or willing to purchase the affordable home, the next applicant on the prioritized list is notified pursuant to the process described above.
10. The Seller must sell the affordable home with the same or comparable appliances and amenities that were in the home when it was first sold as an affordable home.
11. The Seller may NOT charge more than the Maximum Selling Price for any reason, except the addition of a room, the installation of central air conditioning (where there was none before) or comparable upgrade, but ONLY with prior written approval from us. For the most part, condominiums in this program are NOT eligible for such upgrades and/or adjustments to the selling price. The cost of broker fees; municipal inspections and required repairs that may be necessary to receive a Certificate of Occupancy; new appliances, carpeting or other flooring upgrades; and decorating and remodeling projects are NOT eligible costs for an increase in the Maximum Sales Price.
12. A copy of the Sales Contract must be submitted to our office prior to closing.
13. During the final stages of the process, it will be necessary for the Buyer to make arrangement for the Affordable Housing Agreement and Mortgage Note to be satisfied with respect to the Seller and new documents filed with respect to the Buyer. Our office typically provides the Buyer's attorney with the name and phone number of the attorney who can address these issues.
14. A copy of the HUD Closing Statement must be submitted to our office after the sale of the home.
15. Note: We do not guarantee that the Buyer can sell an affordable home for the Maximum Sales Price. An affordable home is also susceptible to market conditions, and the Fair Market Value of an affordable home may be lower than the Maximum Selling Price. In this case, the Seller may not be able to sell the home for more than its Fair Market Value
16. This outline is meant to describe the process utilized prior to the expiration of the deed restrictions. It is not meant to be a legal representation of the rights or responsibilities of any party, nor is it meant to modify the Affordable Housing Agreement, Mortgage Note or other Deed Restrictions. Buyers and Sellers are encouraged to seek legal counsel for specific questions in this regard.
17. Our office is available to both the Seller and the Buyer throughout the process to answer any questions that they may have.

**Borough of Demarest – Bergen County**

**AFFORDABILITY ASSISTANCE:**  
**RENTAL GRANT PROGRAM**

**OPERATING MANUAL**

**April 26, 2020**

**DEMAREST BOROUGH – BERGEN COUNTY  
AFFORDABILITY ASSISTANCE: RENTAL GRANT PROGRAM**

**I. PREFACE**

N.J.A.C. 5:97 – 8.8 (a) states that “...at least 30 percent of all development fees collected and interest earned shall be used to provide affordability assistance to low and moderate income households in affordable units included in the municipality’s Fair Share Plan. One-third of the affordability assistance portion shall be used to provide affordability assistance to very low income households. 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.”

It is also important to note that the spending of trust fund money by Demarest Borough (the “Borough”), to comply with the required affordability assistance, on units described in the Fair Share Plan does not create Fair Housing credits for the Borough.

The Borough is entering into an agreement with its Administrative Agent, Piazza & Associates, Inc. (“P&A”) to help implement a Rental Grant Program (“RGP”) and funding that program with funds from the Affordable Housing Trust Fund as set forth in the adopted Spending Plan. To that end, P&A has prepared this manual to address the use of affordability assistance funds for rental grants.

**II. INTRODUCTION**

This Rental Grant Program Operating Manual has been prepared to assist in the administration of the Demarest Borough Rental Grant 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 the program’s purpose 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 Rental Grant Program process. It describes the eligibility requirements for participation in the program, program criteria, funding terms and conditions, contract payments and overall program administration.

P&A will be engaged to provide support services necessary to administer the program on behalf of the Borough.

The program funds will be distributed as a grant, and will not be repayable if the recipient rents the deed-restricted affordable unit.

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

### **III. PROGRAM DESCRIPTION**

Demarest will set aside up to \$40,000 for rental assistance. (This amount may increase depending on program interest.) The Borough does not currently contain any affordable rental units but expects the 95 County Road development and the 127 Hardenburgh Avenue development to be rental in nature. Assistance will be provided on a first-come, first-served basis to income-eligible renters with good credit standing who qualify for an affordable unit. The Borough will provide a maximum amount equal to two months' rent per affordable unit/certified household in rental assistance. This will be a one-time only payment made payable to the landlord/management company as specified in the tenant's lease. Assistance will only be provided one-time to the affordable unit/household. However, a change in occupancy would allow a new tenant in a unit to take advantage of the program.

This program will be available to all new tenants of very low-, low- and moderate- income rental units with a move-in date commencing subsequent to the date of Court approval of this plan.

### **IV. PROGRAM REQUIREMENTS**

In order to qualify for the program, the gross annual income of the Buyer must be deemed to be very low-, low- or moderate- income, i.e., less than the limits set forth below for moderate-income households in Bergen County. Please note that these limits are subject to change.

MAXIMUM INCOME FOR PARTICIPATION

AHPNJ 2019	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
Moderate	\$53,286	\$60,898	\$68,510	\$76,122	\$82,212	\$88,302

P&A shall certify applicants for rental units using the same process and under the same terms and conditions that it uses to certify applicants to purchase affordable units in the Borough, as set forth by N.J.A.C. 5:80-26.1 et seq. and the procedures set forth in the Operating Manual for that purpose.

## V. THE PROCESS

- a. After an affordable rental applicant is income-certified by P&A and approved to rent a deed-restricted affordable apartment in the Borough, P&A will notify the Municipal Housing Liaison to issue a check to the landlord in an amount equal to two months' rent as approved by P&A. The check should be mailed to P&A.
- b. Also, upon the approval of the applicant, P&A will ask the landlord to sign a memorandum of understanding that the landlord will not charge the new tenant for the first two months' of rent, but rather, will receive a check in the amount of the first two months' rent upon the receipt by P&A of the signed lease and the memorandum of understanding.
- c. If the lease and/or the memorandum of understanding is not signed, P&A will return the check to the Borough.

**Piazza & Associates**

**AFFORDABILITY ASSISTANCE:**  
**HOMEOWNER ASSOCIATION**  
**FEE ASSISTANCE PROGRAM**  
**(“HOA-FA Program”)**

**OPERATING MANUAL**

**April 26, 2020**

**PIAZZA & ASSOCIATES MANUAL FOR  
AFFORDABILITY ASSISTANCE: HOMEOWNER ASSOCIATION FEE  
ASSISTANCE PROGRAM**

**I. PREFACE**

N.J.A.C. 5:97-8.8(a) states that "...at least 30 percent of all development fees collected and interest earned shall be used to provide affordability assistance to low and moderate income households in Affordable Units included in the municipality's Fair Share Plan. Affordability assistance programs may include down payment assistance, security deposit assistance, low interest loans, sales assistance, assistance with homeowners' association or condominium fees and special assessments, and assistance with emergency repairs."

To that end, the Borough has prepared a spending plan that includes a Homeowner Association Fee Assistance Program ("HOA-FA Program") to assist qualified homeowners in deed restricted affordable units (the "Affordable Units").

**II. INTRODUCTION**

This HOA-FA Manual has been prepared to assist in the administration of the HOA-FA Program. It will serve as a guide to the program staff, Homeowner Associations and Owners of affordable homes.

This manual describes the basic content and operation of the program, examines program purpose 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 HOA-FA Program process. It describes the eligibility requirements for participation in the program, program criteria, funding terms and conditions, contract payments and overall program administration.

The program requirements are subject to change and grant funding is subject to availability. The following represents the procedures developed to implement the HOA-FA Program.

### **III. PROGRAM DESCRIPTION**

Demarest will set aside a maximum of \$16,000 for HOA assistance. (This amount may increase depending on program interest.) The Borough has four existing affordable for-sale units within the community. The Borough anticipates on providing approximately \$4,000 in HOA assistance per unit. Assistance will be provided on a first-come, first-served basis to income-eligible homeowners. This will be a one-time only payment made payable to the Homeowner's Association/Management Company (the "Association"), as specified in the homeowner's documentation. Priority will be given to homeowners whose fees are in arrears, but is not a requirement for assistance. Assistance will only be provided one-time to the affordable unit/household. However, a change in occupancy would allow a new homeowner in a unit to take advantage of the program.

### **IV. Program Requirements**

Participation in this program requires:

- A. At the time the unit owner (hereinafter, "the Owner") is applying for the grant, the Owner residing in the affordable home, and the household (including everyone living in the affordable home) must be re-certified as having a gross annual income that is less than 80% of the Regional Median Income for COAH Region I, (AKA "Moderate Income"), pursuant to by N.J.A.C. 5:80-26.1 et seq. (Owners who acquired their units within the prior six months do not need to be re-certified.)

The determination of income by the Borough or its Administrative Agent ("AA") during the recertification process will have no impact on the ownership of the affordable unit, since there is no limit on income after a home is purchased. However, the Owner must be in compliance with the affordable housing restrictions in order to take advantage of the funding provided under this program.

The AA shall recertify Owners using the same process and under the same terms and conditions that it uses to certify applicants to purchase Affordable Units in the Borough, as set forth by N.J.A.C. 5:80-26.1 et seq. and the procedures set forth in the Operating Manual for that purpose.

- B. The Owner must be in compliance with the residency requirements of Uniform Housing Affordability Controls (NJAC 5:80-25.1 et seq.), including the requirement that the Affordable Unit be the principal residence of the Owner.

## **V. Funding and Distribution**

The funding projections are detailed in the 2019 Spending Plan.

## **VI. The Process**

- A. The Borough will designate a qualified Administrative Agent to prepare the documentation and implement this program.
- B. The AA will prepare and mail a letter to the Associations and Owners, announcing this program and its parameters. The letter to the Owners will be accompanied by an application form for the program.
- C. Income-eligibility for the HOA-FA Program is based on the recertification form and accompanying documentation, sufficient for the AA to certify the gross annual income of the applicant pursuant to N.J.A.C. 5:80-26.1 et seq., and as set forth in the applicable Operating Manual of the Borough.
- D. Verification of ownership and residency will be based on the submission by the owner and review by the AA of the following documents.
  - 1. Affordable Housing Deed, Mortgage and Note, and set forth in UHAC Certification J.
  - 2. A Municipal Residency Form, which requires each head of household to provide the name and age of every resident of the Unit, and so to certify as to its accuracy.
  - 3. A copy of the property tax assessment and property tax payment for the unit;
  - 4. A copy of a New Jersey driver's license for every member of the household who has been issued a current driver's license; or for every member of the household over the age of 16 who has not been issued a current New Jersey driver's license, an alternative identification, issued by the State of New Jersey, the federal government, or a school district, that clearly includes the address of the household member.
  - 5. A copy of the most recent two (2) utility bills from at least three (3) of the following utilities: water, sewer, gas, electric, TV, phone and internet services provided to the Unit.
  - 6. A signed and notarized statement from every member of the household 18 years or older that the Unit is their primary residence; that they reside in the Unit 260 days or more during the course of each year; that no part of the Unit is leased to any other party for any purpose; that no persons outside of the household resides in the Unit or uses the Unit address for their residency.
- E. The AA shall inform the Borough and the Owner as to the status of each application within 10 days of receipt.

- F. In the event that an Owner is not approved for the program, an appeal can be made to the Borough through the Municipal Housing Liaison.
- G. Once approved and certified for eligibility, the AA will inform the Borough of the approval and request a check for the agreed upon funds be issued to the Association on behalf of the Owner.
- H. The check for the amount due to eligible owners will be processed and sent directly to the Association.
- I. The Association will credit the accounts of the existing owners in an amount that is equal to the funding provided to the Association by the Borough.
- J. The Administrative Agent will audit the program by contacting a random number of owners and former owners to ensure that the funding has been properly distributed.

**VII. PROGRAM LIMITATIONS**

The HOA-FA Program will continue, contingent upon the availability of funds within the Affordable Housing Trust Fund. The reduction or elimination of available funds will result in a corresponding reduction or elimination of HOA-FA Program grants. Notwithstanding anything herein to the contrary, the funding for each Affordable Unit is limited to an aggregate of \$4,000, and the amount available for each unit in any given year is based on the Trust Fund account balance and subject to change without notice.

**Borough of Demarest – Bergen County**

**AFFORDABILITY ASSISTANCE: GREEN  
BUILDING STRATEGIES GRANT PROGRAM**

**OPERATING MANUAL**

**April 26, 2020**

**DEMAREST BOROUGH – BERGEN COUNTY  
AFFORDABILITY ASSISTANCE: GREEN BUILDING STRATEGIES GRANT  
PROGRAM**

**I. PREFACE**

N.J.A.C. 5:97 – 8.8 (a) states that “...at least 30 percent of all development fees collected and interest earned shall be used to provide affordability assistance to low and moderate income households in affordable units included in the municipality’s Fair Share Plan. One-third of the affordability assistance portion shall be used to provide affordability assistance to very low income households. 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.”

It is also important to note that the spending of trust fund money by Demarest Borough (the “Borough”), to comply with the required affordability assistance, on units described in the Fair Share Plan does not create Fair Housing credits for the Borough. It is noted that there is no formally documented statement that units receiving energy assistance must have a competitive bidding, minimum dollar amount, affirmative marketing or a major system repaired.

The Borough is entering into an agreement with its Administrative Agent, Piazza & Associates, Inc. (“P&A”) to help implement Green Building Strategies (“GBS”) and funding that program with funds from the Affordable Housing Trust Fund as set forth in the adopted Spending Plan. To that end, P&A has prepared this manual to address the use of affordability assistance funds for energy assistance.

**II. INTRODUCTION**

This Green Building Strategies Grant Program Operating Manual has been prepared to assist in the administration of the Demarest Borough Green Building Strategies Grant 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 Green Building Strategies process. It describes the eligibility requirements for participation in the program, program

criteria, funding terms and conditions, contract payments and overall program administration.

P&A will be engaged to provide support services necessary to administer the program on behalf of the Borough.

The program funds will be distributed as a grant, and will not be repayable if the equipment is delivered, installed, inspected and approved.

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

### **III. PROGRAM DESCRIPTION**

Demarest will set aside up to \$40,000 to fund one or more solar panel installations on 100% affordable developments. Solar panels would reduce the building's utility expenses and make it more affordable for residents living within the structure. Assistance will be provided on a first-come, first-served basis to the existing 100% affordable facilities. The building owner will be required to submit three written estimates with detailed information about all costs. All permit fees will need to be included. The building owner and installer will need to abide by all Borough and State Regulations. All installations will need to be installed by insured entities that will ensure that the solar panel system will meet all code and safety standards.

The Borough will target the existing very-low income developments to ensure compliance with the requirement to spend one-third of the affordability assistance on very-low income units.

### **IV. GBS PROGRAM REQUIREMENTS**

Participation in this program requires:

- a. The Owner / Tenant must be residing in the affordable home and must be re-certified as a moderate-income household or less under applicable State regulations. (Owners / Tenants who began their residency within the prior six months do not need to be re-certified.)
- b. The property owner will obtain three (3) proposals from qualified contractors and can select the contractor, but the Borough will pay the lesser of \$50,000 or the price of the lowest proposal toward the cost of the solar panels. (The amount that the Borough contributes will be referred to as "the Borough's Share"), and the Owner responsible for paying any remainder (hereinafter, "the Owner's Share").
- c. In the event that the Borough's Share is not sufficient to pay for the entire installation project, then the Owner shall be responsible to pay the balance of the

cost. (This shall be referred to as the “Owner’s Share.”) The Owner’s Share shall be paid in full before the Borough makes payment to the Contractor. The Borough will not make final payments to the Contractor until after the Construction Code Official conducts a final inspection and approves the Work.

- d. The Owner shall fully cooperate with the Borough and P&A, which administers portions of this program on behalf of the Borough.
- e. The Owner must enter into an agreement with the Borough in which he or she agrees to the terms and conditions outlined, above, and:
  - i. Releases the Borough and P&A from any claims and agrees to indemnify, defend, and hold the Borough and P&A harmless against any and all claims for liability.
  - ii. Agrees to fully cooperate with the Contractor, Borough, and P&A, including making timely arrangement for all inspections.
  - iii. Acknowledges that the Contractor is solely responsible for the installation and that the Borough and P&A have no responsibility with respect to the equipment or its installation and are not guarantors of the Work and agrees that communications with respect thereto shall be directed to the Contractor and not to the Borough or P&A.
- f. The Owner will be required to use a form of contract between the Owner and Contractor that will be provided by the Borough and shall contain requirements set forth by the Borough to protect its interest.

**V. GENERAL REQUIREMENTS**

In order to qualify for the program, the gross annual income of the Owner / Tenant must be deemed to be very low-, low- or moderate- income, i.e., less than the limits set forth below for moderate-income households in Bergen County. Please note that these limits are subject to change.

MAXIMUM INCOME FOR PARTICIPATION

AHPNJ 2019	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
Moderate	\$53,286	\$60,898	\$68,510	\$76,122	\$82,212	\$88,302

The determination of the Borough of the income of the Owner / Tenant during the recertification process will have no impact on the ownership or residency of the affordable unit, since there is no limit on income after a unit is purchased or leased. However, the Owner / Tenant must be in compliance with the affordable housing restrictions in order to take advantage of the GBS grants.

P&A shall recertify Owners / Tenants using the same process and under the same terms and conditions that it uses to certify applicants to purchase/rent affordable units in the Borough, as set forth by N.J.A.C. 5:80-26.1 et seq. and the procedures set forth in the Operating Manual for that purpose.

## **VI. EQUIPMENT RESTRICTIONS**

Equipment Requirements: Only new solar panels will be eligible for this program. The specifications for the solar panels must be approved by the Borough.

## **VII. THE PROCESS**

- a. An introductory letter and application are mailed to the Owners and Landlords of affordable units in the Borough.
- b. If interested, the Owners / Landlords may apply for the program, using the application form and submit the form, together with the required documentation to the P&A for review.
- c. P&A makes a determination of eligibility based on the standards set forth above.
- d. P&A notifies the status of the review as follows:
  - i. Incomplete: The Owner / Landlord shall have 5 days to complete the application.
  - ii. Not approved: The Owner / Landlord may not participate in the program, but can re-apply at a later date. The Owner shall pay \$100 for the cost to perform a recertification review subsequent to the initial application.
  - iii. Complete and Certified: P&A provides the Owner / Landlord with a contract between the Owner / Landlord and Borough for the Owner's / Landlord's review and execution.
- e. The Owner / Landlord signs and returns the Contract between the Owner / Landlord and the Borough for execution by an approved representative of the Borough.
- f. P&A provides the Owner with a kit that includes:
  - i. A Request for Proposal that the Owner may use to obtain bids from contractors;
  - ii. Information regarding the operation and benefits of energy efficient equipment;
  - iii. The specification of the minimum standards of the equipment required; and
  - iv. A form of Agreement between the Owner / Landlord and the Contractor.
- g. The Owner / Landlord selects a Contractor and enters into an agreement pursuant to f(v) above.
- h. The Owner / Landlord submits same to Borough for approval.

- i. Borough returns the fully executed Contract with the Owner / Landlord.
- j. The contractor completes the work.
- k. The Owner / Landlord has the work inspected by the Borough and pays the Contractor the Owner's share.
- l. Borough verifies that the payment was made and pays the Contractor the balance, not to exceed the limits set forth above.

**Piazza & Associates**

**AFFORDABILITY ASSISTANCE:**  
**VERY-LOW INCOME DEVELOPMENT**  
**SUBSIDY PROGRAM**  
**(“VLIDS Program”)**

**OPERATING MANUAL**

**April 26, 2020**

**DEMAREST BOROUGH – BERGEN COUNTY  
AFFORDABILITY ASSISTANCE: VERY-LOW INCOME  
DEVELOPMENT SUBSIDY PROGRAM**

**I. PREFACE**

N.J.A.C. 5:97-8.8(a) states that "...at least 30 percent of all development fees collected and interest earned shall be used to provide affordability assistance to low and moderate income households in Affordable Units included in the municipality's Fair Share Plan. Affordability assistance programs may include down payment assistance, security deposit assistance, low interest loans, sales assistance, assistance with homeowners' association or condominium fees and special assessments, and assistance with emergency repairs."

To that end, the Borough has prepared a spending plan that includes a Very-Low Income Development Subsidy Program ("VLIDS Program") to assist in the financing of a very-low income unit within a small development.

**II. PROGRAM DESCRIPTION**

**127 Hardenburgh Avenue Very-Low Income Unit.** This site will be required to contain one very-low income unit. To help balance the development's pro-forma, the Borough will pay the developer a one-time payment of up to \$400,000 once the very-low income unit receives its certificate of occupancy. At the Borough's option, half of this payment may be released when the building permit is issued.

**III. PROGRAM IMPLEMENTATION**

Participation in this program requires that the developer plan, build and deliver one very-low income unit among the affordable units provided at the above-referenced location in the Borough. Upon the issuance of a Certificate of Occupancy for that Very-Low Income unit and a fully executed deed restriction on the affordable units, as approved by the Borough, the Borough shall issue funds in the amount of four hundred thousand dollars (\$400,000) to the ownership entity of the project. At the Borough's option, half of this payment (\$200,000) may be released when the building permit is issued.

**Borough of Demarest – Bergen County**

**AFFORDABILITY ASSISTANCE:  
ENERGY EFFICIENCY GRANT PROGRAM**

**OPERATING MANUAL**

**April 26, 2020**

**DEMAREST BOROUGH – BERGEN COUNTY  
AFFORDABILITY ASSISTANCE: ENERGY EFFICIENCY GRANT PROGRAM**

**I. PREFACE**

N.J.A.C. 5:97 – 8.8 (a) states that “...at least 30 percent of all development fees collected and interest earned shall be used to provide affordability assistance to low and moderate income households in affordable units included in the municipality’s Fair Share Plan. One-third of the affordability assistance portion shall be used to provide affordability assistance to very low income households. 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.”

It is also important to note that the spending of trust fund money by Demarest Borough (the “Borough”), to comply with the required affordability assistance, on units described in the Fair Share Plan does not create Fair Housing credits for the Borough. It is noted that there is no formally documented statement that units receiving energy assistance must have a deed restriction or lien, competitive bidding, minimum dollar amount, affirmative marketing or a major system repaired.

The Borough is entering into an agreement with its Administrative Agent, Piazza & Associates, Inc. (“P&A”) to help implement an Energy Efficiency Grant Program (“EEP”) and funding that program with funds from the Affordable Housing Trust Fund as set forth in the adopted Spending Plan. To that end, P&A has prepared this manual to address the use of affordability assistance funds for energy assistance.

**II. INTRODUCTION**

This Energy Efficiency Grant Program Operating Manual has been prepared to assist in the administration of the Demarest Borough Energy Efficiency Grant 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 Energy Efficiency process. It describes the eligibility requirements for participation in the program, program criteria, funding terms and conditions, contract payments and overall program administration.

P&A will be engaged to provide support services necessary to administer the program on behalf of the Borough.

The program funds will be distributed as a grant, and will not be repayable if the equipment is delivered, installed, inspected and approved.

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

### **III. PROGRAM DESCRIPTION**

The Spending Plan for the Borough of Demarest sets forth three (3) distinct uses of funds that target the reduction of energy costs for owners and renters of deed restricted affordable housing units by subsidizing equipment that is more energy efficient than the existing equipment: the Water Heater Replacement program; the Furnace and Air Conditioning (“HVAC”) Replacement program; and the Energy Efficient Door, Window and Insulation Replacement program.

**A. Water Heater Replacement.** Demarest will set aside up to \$12,000 to replace water heaters in existing units that are more than 8 years old. (This amount may increase depending on program interest.) New water heaters are more energy efficient and will reduce the affordable households’ utility expenses. Very-low, low or moderate income landlords/homeowners applying for this type of assistance will be required to submit three written estimates with detailed information about all costs. All permit fees will need to be included. Landlord/homeowner and installer will need to abide by all Borough and State Regulations. All new water heaters will need to be installed by licensed and insured entities that will ensure that the new water heater will meet all code and safety standards. Assistance will be provided on a first-come, first-served basis to existing income-eligible tenants/homeowners. The Borough will provide a maximum amount of \$2,000 per unit in assistance. Additionally, all owners of 100% affordable developments are also eligible for the program. Assistance will only be provided one-time to the certified applicant household and the unit.

**B. Furnace and Air Conditioner Replacement.** Demarest will set aside up to \$40,000 to replace furnaces and air conditioners in existing units that are more than 10 years old. (This amount may increase depending on program interest.) New furnaces and air conditioners are more energy efficient and will reduce the affordable households’ utility expenses. Very-low, low or moderate income landlords/homeowners applying for this type of assistance will be required to submit three written estimates with detailed information about all costs. All permit fees will need to be included. Landlord/homeowner and installer will need to abide by all Borough and State Regulations. All furnaces and/or air conditioners will need to be installed by licensed and insured entities that will ensure that the new system will meet all code and safety standards. Assistance will be provided on a first-come, first-served basis to existing income-eligible tenants/homeowners. The Borough will

provide a maximum amount of \$8,000 per unit in assistance. Additionally, all owners of 100% affordable developments are also eligible for the program. Assistance will only be provided one-time to the certified applicant household and the unit.

**Energy Efficiency Door, Window and Insulation Replacement.** Demarest will set aside up to \$33,000 to replace doors, windows, and/or insulation in existing units that are more than 10 years old. (This amount may increase depending on program interest.) New doors, windows, and/or insulation are more energy efficient and will reduce the affordable households' utility expenses. Very-low, low or moderate income landlords/homeowners applying for this type of assistance will be required to submit three written estimates with detailed information about all costs. All permit fees will need to be included. Landlord/homeowner and installer will need to abide by all Borough and State Regulations. All windows/doors/insulation will need to be installed by licensed and insured entities that will ensure that all code and safety standards are met. Assistance will be provided on a first-come, first-served basis to existing income-eligible tenants/homeowners. The Borough will provide a maximum amount of \$5,000 per unit in assistance. Additionally, all owners of 100% affordable developments are also eligible for the program. Assistance will only be provided one-time to the certified applicant household and the unit.

The Borough will target the existing very-low income developments to ensure compliance with the requirement to spend one-third of the affordability assistance funds on very-low income units.

By replacing existing heating /cooling (HVAC) systems and/or water heaters with new, high energy efficiency standards, the goal of this program is to save energy and reduce the operating costs, while maintaining a high level of comfort.

#### **IV. EEP PROGRAM REQUIREMENTS**

Participation in this program requires:

- a. The equipment to be replaced must be at least 8 years old in the case of a water heater and 10 years old in the case of an HVAC system, doors, windows and insulation.
- b. The Owner / Tenant must be residing in the affordable home and must be re-certified as a moderate-income household or less under applicable State regulations. (Owners / Tenants who began their residency within the prior six months do not need to be re-certified.)
- c. New Equipment Requirements:
  - i. Hot water heaters, doors, windows and insulation must be Energy Star certified.
  - ii. In the case of HVAC equipment, an A.F.U.E. rating of at least 95-percent-efficiency with a condensing unit rated at least 15 SEER and R410A refrigerant or better is required.

- iii. For homes with heat pumps, a rating of at least 14 SEER, with R410 or better refrigerant shall be required.
- d. For all of the programs set forth, herein, only those contractors who are licensed by the State of New Jersey may be utilized.
- e. Contractors must take out and maintain a comprehensive general liability insurance policy insuring the Owner, the Borough and Piazza as additional insureds and loss payees against claims of bodily injury, including death, and property damage occurring during the course of the Work in amounts of \$1,000,000 for each claim with respect to bodily injury or death and for property damage relating to any one occurrence. Contractor agrees to take out and maintain workers' compensation insurance and employer's liability insurance, each in the amount of \$500,000 per occurrence. All contractors must provide evidence of insurance.
- f. The property owner will obtain three (3) proposals from qualified contractors and can select the contractor, but the Borough will pay the lesser of \$2,000 or the price of the lowest proposal toward the cost of the Water Heater; the lesser of \$8,000 or the price of the lowest proposal toward the cost of the HVAC system; and the lesser of \$5,000 or the price of the lowest proposal toward the cost of the window, doors and/or insulation. (The amount that the Borough contributes will be referred to as "the Borough's Share"), and the Owner shall be responsible for paying any remainder (hereinafter, "the Owner's Share"). The maximum combined grant available to any one affordable home will be \$15,000.
- g. In the event that the Borough's Share is not sufficient to pay for the entire replacement project, then the Owner shall be responsible to pay the balance of the cost. (This shall be referred to as the "Owner's Share.") The Owner's Share shall be paid in full before the Borough makes payment to the Contractor. The Borough will not make final payments to the Contractor until after the Construction Code Official conducts a final inspection and approves the Work.
- h. The Owner shall fully cooperate with the Borough and P&A, which administers portions of this program on behalf of the Borough.
- i. The Owner must enter into an agreement with the Borough in which he or she agrees to the terms and conditions outlined, above, and:
  - i. Releases the Borough and P&A from any claims and agrees to indemnify, defend, and hold the Borough and P&A harmless against any and all claims for liability.
  - ii. Agrees to fully cooperate with the Contractor, Borough, and P&A, including making timely arrangement for all inspections.
  - iii. Acknowledges that the Contractor is solely responsible for the installation and that the Borough and P&A have no responsibility with respect to the equipment or its installation and are not guarantors of the Work and agrees that communications with respect thereto shall be directed to the Contractor and not to the Borough or P&A.

- j. The Owner will be required to use a form of contract between the Owner and Contractor that will be provided by the Borough and shall contain requirements set forth by the Borough to protect its interest.

**V. GENERAL REQUIREMENTS**

In order to qualify for the program, the gross annual income of the Owner / Tenant must be deemed to be very low-, low- or moderate- income, i.e., less than the limits set forth below for moderate-income households in Bergen County. Please note that these limits are subject to change.

MAXIMUM INCOME FOR PARTICIPATION

AHPNJ 2019	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
Moderate	\$53,286	\$60,898	\$68,510	\$76,122	\$82,212	\$88,302

The determination of the Borough of the income of the Owner / Tenant during the recertification process will have no impact on the ownership or residency of the affordable unit, since there is no limit on income after a unit is purchased or leased. However, the Owner / Tenant must be in compliance with the affordable housing restrictions in order to take advantage of the Energy Efficiency Program grants.

P&A shall recertify Owners/Tenants using the same process and under the same terms and conditions that it uses to certify applicants to purchase/rent affordable units in the Borough, as set forth by N.J.A.C. 5:80-26.1 et seq. and the procedures set forth in the Operating Manual for that purpose.

**VI. EQUIPMENT RESTRICTIONS**

The minimum age of the current equipment to be eligible for replacement is 8 years in the case of a water heater and 10 years in the case of an HVAC system, windows, doors and insulation. If Owners are unsure as to the age of their equipment, they are advised to contact the Demarest Borough Building Department to determine if their appliance/window/door/insulation meets the age requirements set forth in the program.

**VII. THE PROCESS**

- a. An introductory letter and application are mailed to the Owners and Landlords of affordable units in the Borough.

- b. If interested, the Owners / Landlords may apply for the program, using the application form and submit the form, together with the required documentation to the P&A for review.
- c. P&A makes a determination of eligibility based on the standards set forth above.
- d. P&A notifies the status of the review as follows:
  - i. Incomplete: The Owner / Landlord shall have 5 days to complete the application.
  - ii. Not approved: The Owner / Landlord may not participate in the program, but can re-apply at a later date. The Owner shall pay \$100 for the cost to perform a recertification review subsequent to the initial application.
  - iii. Complete and Certified: P&A provides the Owner / Landlord with a contract between the Owner / Landlord and Borough for the Owner's / Landlord's review and execution.
- e. The Owner / Landlord signs and returns the Contract between the Owner / Landlord and the Borough for execution by an approved representative of the Borough.
- f. P&A provides the Owner with a kit that includes:
  - i. A Request for Proposal that the Owner may use to obtain bids from contractors;
  - ii. Information regarding the operation and benefits of energy efficient equipment;
  - iii. The specification of the minimum standards of the equipment required; and
  - iv. A form of Agreement between the Owner / Landlord and the Contractor.
- g. The Owner / Landlord selects a Contractor and enters into an agreement pursuant to f(iv) above.
- h. The Owner / Landlord submits same to Borough for approval.
- i. Borough returns the fully executed Contract with the Owner / Landlord.
- j. The contractor completes the work.
- k. The Owner / Landlord has the work inspected by the Borough and pays the Contractor the Owner's share (if any is required).
- l. Borough verifies that the payment was made and pays the Contractor the balance, not to exceed the limits set forth above.

Appendix U.

Operating Manual Resolution

**BOROUGH OF DEMAREST**

**RESOLUTION ADOPTING THE 'SALES OPERATING MANUAL', 'RENTAL  
OPERATING MANUAL'  
FOR THE BOROUGH OF DEMAREST**

**WHEREAS**, in accordance with the New Jersey Uniform Housing Affordability Controls pursuant to N.J.A.C. 5:80-26-1, *et seq.*, the Borough of Demarest is required to adopt all program operating manuals, which set forth the procedures for administering the program(s) and their associated affordability controls for affordable housing units created within the Borough of Demarest.

**NOW, THEREFORE, BE IT RESOLVED**, by the Governing Body of the Borough of Demarest, that the Borough does hereby adopt the following attached operating manuals, subject to final approval as to form by the Borough Planner and Borough Attorney:

1. Sales Operating Manual
2. Rental Operating Manual

CERTIFICATION

I, Susan Crosman, RMC, Borough Clerk of the Borough of Demarest, in the County of Bergen, State of New Jersey, hereby certify this to be a true copy of the action of the Governing Body at its meeting held June 24, 2019. WITNESS my hand and Seal of the Borough of Demarest this 24 day of June, 2019.



Susan Crosman  
Borough Clerk

**BOROUGH OF DEMAREST**

**RESOLUTION ADOPTING THE AFFORDABILITY ASSISTANCE MANUALS FOR THE BOROUGH OF DEMAREST**

**WHEREAS**, in accordance with the New Jersey Uniform Housing Affordability Controls (UHAC) pursuant to N.J.A.C. 5:80-26-1, et seq., the Borough of Demarest is required to adopt all program operating manuals, which set for the procedures for administering the program(s) for the affordable housing units created within the Borough of Demarest.

**NOW, THEREFORE, BE IT RESOLVED**, by the Governing Body of the Borough of Demarest, that the Borough does hereby adopt the following attached affordability assistance operating manuals as prepared by Piazza & Associates, Inc. of Princeton, NJ, subject to final approval as to form by the Borough Planner, Court Special Master and Borough Attorney:

1. Affordability Assistance: Energy Efficiency Grant Program Operating Manual
2. Affordability Assistance: Very-Low Income Development Subsidy Program Operating Manual
3. Affordability Assistance: Green Building Strategies Grant Program Operating Manual
4. Affordability Assistance: Homeowner Association Fee Assistance Program Operating Manual
5. Affordability Assistance: Rental Grant Program Operating Manual

	YES	NO	ABSTAIN/ABSENT
Carroll:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Connelly:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fox:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamilton:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kurys:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
LaPira:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

I, Susan Crosman, Borough Clerk, do hereby certify that the foregoing is a true copy of a resolution adopted by the Mayor and council at a meeting held on May 18, 2020.



Susan Crosman, RMC  
Borough Clerk/Coordinator

Appendix V.

Intent to Bond Resolution

**BOROUGH OF DEMAREST  
BERGEN COUNTY, NEW JERSEY**

**RESOLUTION OF INTENT TO BOND IN THE EVENT THAT THERE IS A  
SHORTFALL IN FUNDING TO EFFECTUATE CERTAIN AFFORDABLE HOUSING  
MECHANISMS IN ITS HOUSING ELEMENT AND FAIR SHARE PLAN**

**WHEREAS**, the Council of the Borough of Demarest desires to create a realistic opportunity for the creation of affordable housing within the Borough; and

**WHEREAS**, the Borough voluntarily brought a timely declaratory judgment action pursuant to the procedures set forth by the Supreme Court in *In Re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (201)* ("*Mt. Laurel IV*") seeking approval of a Housing Element and Fair Share Plan that satisfied the Borough's obligation to provide for its fair share of the regional need of low and moderate income housing; and

**WHEREAS**, after a Fairness Hearing held on March 26, 2018, by Order dated April 11, 2018, Hon. Menelaos W. Toskos, J.S.C. approved a settlement agreement between the Borough of Demarest and Fair Share Housing Center intended to establish the Borough's affordable housing obligations; and

**WHEREAS**, in accordance with the April 11, 2018 Order, the Demarest Planning Board has adopted a Housing Element and Fair Share Plan dated February 20, 2019, adopted by resolution dated March 6, 2019 pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1, et seq., which addresses the requirements of N.J.A.C. 5:93-1, et seq., as amended and supplemented, N.J.A.C.5:80-26.1, et seq. as amended and supplemented, and the New Jersey Fair Housing Act of 1985; and

**WHEREAS**, the Housing Element and Fair Share Plan provides for a municipally-sponsored accessory apartment ordinance, in addition to other developer-funded mechanisms; and

**WHEREAS**, the Borough has adopted a Development Fee Ordinance in order to generate revenue for the Borough's Affordable Housing Trust Fund; and

**WHEREAS**, the Borough of Demarest anticipates that monies collected and deposited in the Affordable Housing Trust Fund, along with other permitted funding sources, will be sufficient to effectuate the above-referenced mechanisms and

**WHEREAS**, the Borough of Demarest is committed to securing judicial approval of its Housing Element and Fair Share Plan; and

**WHEREAS**, the Borough of Demarest acknowledges the COAH rules and regulations that provide that, although utilization of a mandatory development fee ordinance is an appropriate mechanism to raise money for the purpose of off-setting the expenses incurred in connection with the Housing Element and Fair Share Plan, there must be an alternative funding source in the event that insufficient monies are derived from the mandatory development fee ordinance or other

resources, or the funds are not received in a timely fashion, for the purpose of effectuating the municipally-sponsored accessory apartment program; and

**WHEREAS**, the Borough of Demarest wishes to express its commitment to cover such funding shortfalls and to fully implement the mechanisms set forth in its Housing Element and Fair Share Plan through bonding or other lawful means.

**NOW, THEREFORE BE IT RESOLVED**, by the Council of the Borough of Demarest, County of Bergen, State of New Jersey, that the Borough of Demarest does hereby confirm its intent that in the event that the projected funding from the mandatory development fee ordinance the Borough has adopted is insufficient to complete the aforementioned affordable housing mechanism, it is the intention of the Council of the Borough of Demarest to adopt appropriate bond ordinances in order to provide the requisite funding in an appropriate time frame.

**BE IT FURTHER RESOLVED** that this resolution shall take effect immediately.

I hereby certify the foregoing to be a true copy of a resolution adopted by the Borough of Demarest Council at a meeting held on July 29, 2019.

ATTEST:



Susan Crosman, R.M.C.- Borough Clerk

BOROUGH OF DEMAREST

BY:   
MELINDA J. IANNUZZI, Mayor

Dated:

7-29-19

\* \* \* \* \*

Moved by: Mr. Carroll  
Second by: Mrs. Hamilton

	Aye	Nay	Abstain
Carroll:	<input checked="" type="checkbox"/>	_____	_____
Connelly:	<input checked="" type="checkbox"/>	_____	_____
Fox:	<input checked="" type="checkbox"/>	_____	_____
Hamilton:	<input checked="" type="checkbox"/>	_____	_____
LaPira:	<input checked="" type="checkbox"/>	_____	_____
Kurys:	<input checked="" type="checkbox"/>	_____	_____
Mayor Iannuzzi:	_____	_____	_____

**BOROUGH OF DEMAREST  
BERGEN COUNTY, NEW JERSEY**

**RESOLUTION OF INTENT TO BOND FOR FINANCING 127 HARDENBURGH  
AVENUE 100% AFFORDABLE HOUSING PROJECT IN THE EVENT THAT THERE  
IS A SHORTFALL IN FUNDING TO EFFECTUATE AFFORDABLE HOUSING  
MECHANISMS IN ITS HOUSING ELEMENT AND FAIR SHARE PLAN**

**WHEREAS**, the Council of the Borough of Demarest desires to create a realistic opportunity for the creation of affordable housing within the Borough; and

**WHEREAS**, the Borough voluntarily brought a timely declaratory judgment action pursuant to the procedures set forth by the Supreme Court in *In Re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (201) ("Mt. Laurel IV")* seeking approval of a Housing Element and Fair Share Plan that satisfied the Borough's obligation to provide for its fair share of the regional need of low and moderate income housing; and

**WHEREAS**, after a Fairness Hearing held on March 26, 2018, by Order dated April 11, 2018, Hon. Menelaos W. Toskos, J.S.C. approved a settlement agreement between the Borough of Demarest and Fair Share Housing Center intended to establish the Borough's affordable housing obligations; and

**WHEREAS**, in accordance with the April 11, 2018 Order, the Demarest Planning Board has adopted a revised Housing Element and Fair Share Plan dated February 21, 2020, adopted by resolution dated May 6, 2020 pursuant to the Municipal Land Use Law at N.J.S.A. 40:55D-1, et seq., which addresses the requirements of N.J.A.C. 5:93-1, et seq., as amended and supplemented, N.J.A.C.5:80-26.1, et seq. as amended and supplemented, and the New Jersey Fair Housing Act of 1985; and

**WHEREAS**, the Borough previously adopted a Resolution of Intent to Bond on or about July 29, 2019 to guarantee funding of its accessory apartment affordable housing mechanism; and

**WHEREAS**, the recently adopted Housing Element and Fair Share Plan provides for a municipally-sponsored 100% Affordable Housing Project on Borough owned property at 127 Hardenburgh Avenue, in addition to other developer-funded mechanisms; and

**WHEREAS**, the Borough has adopted a Development Fee Ordinance and other mechanisms in order to generate revenue for the Borough's Affordable Housing Trust Fund; and

**WHEREAS**, the Borough of Demarest anticipates that monies collected and deposited in the Affordable Housing Trust Fund, along with other permitted funding sources, will be sufficient to effectuate the above-referenced mechanisms; and

**WHEREAS**, the Borough of Demarest is committed to securing judicial approval of its Housing Element and Fair Share Plan; and

**WHEREAS**, the Borough of Demarest acknowledges the COAH rules and regulations that provide that, although utilization of a mandatory development fee ordinance is an appropriate mechanism to raise money for the purpose of off-setting the expenses incurred in connection with the Housing Element and Fair Share Plan, there must be an alternative funding source in the event that insufficient monies are derived from the mandatory development fee ordinance or other resources, or the funds are not received in a timely fashion, for the purpose of effectuating the municipally-sponsored 100% affordable housing project; and

**WHEREAS**, the Borough of Demarest wishes to express its commitment to cover such funding shortfalls and to fully implement the mechanisms set forth in its Housing Element and Fair Share Plan through bonding or other lawful means.

**NOW, THEREFORE BE IT RESOLVED**, by the Council of the Borough of Demarest, County of Bergen, State of New Jersey, that the Borough of Demarest does hereby confirm its intent that in the event that the projected funding from the mandatory development fee ordinance the Borough has adopted and other anticipated funding sources are insufficient to complete the aforementioned affordable housing mechanism, it is the intention of the Council of the Borough of Demarest to adopt appropriate bond ordinances in order to provide the requisite funding in an appropriate time frame.

**BE IT FURTHER RESOLVED** that this resolution shall take effect immediately.

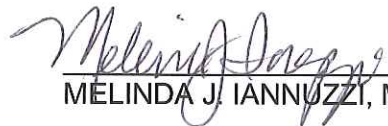
I hereby certify the foregoing to be a true copy of a resolution adopted by the Borough of Demarest Council at a meeting held on May 18, 2020.

ATTEST:

  
Susan Crosman, R.M.C.- Borough Clerk

BOROUGH OF DEMAREST

BY:

  
MELINDA J. IANNUZZI, Mayor

Dated: 5-18-2020

\* \* \* \* \*

Moved by: Mr Connelly

Second by: Mrs Kury3

	Aye	Nay	Abstain
Carroll:	<input checked="" type="checkbox"/>	___	___
Connelly:	<input checked="" type="checkbox"/>	___	___
Fox:	<input checked="" type="checkbox"/>	___	___
Hamilton:	<input checked="" type="checkbox"/>	___	___
LaPira:	<input checked="" type="checkbox"/>	___	___
Kurys:	<input checked="" type="checkbox"/>	___	___
Mayor Iannuzzi:	___	___	___

Appendix W.

Planning Board HEFSP Resolution

**BOROUGH OF DEMAREST  
PLANNING BOARD**

**RESOLUTION ACCEPTING AMENDMENT OF HOUSING ELEMENT  
AND FAIR SHARE PLAN  
BOROUGH OF DEMAREST MASTER PLAN**

**WHEREAS**, the Borough of Demarest (“Borough”) on February 13, 2020 approved a Settlement Agreement with Sylco Investments LLC et.al. (“Sylco”) for the development of the Sylco property and the facilitation of the construction of affordable housing in the Borough; and

**WHEREAS**, in furtherance of said Settlement Agreement the Brough has agreed to create an Affordable Housing Overlay Zone designation on the Sylco lots, which collectively consist of approximately 18.3 acres and are located east of the terminus of Duane Lane and are identified on the Tax Assessment Map of the Borough as Block 119, Lots 1.05, 1.06, and 1.07, and Block 120, Lots 1.03 and 1.04 (the “Sylco Lots”); and

**WHEREAS**, said Affordable Housing Overlay Zone Plan shall provide all zoning, bulk, and design requirements for the re-zoning of the lots to create a new Affordable Housing Overlay Zone to be developed in accordance with the regulations set forth in Ord. §175.12.1 et. seq.; and

**WHEREAS**, the Affordable Hosing Overlay Zone will allow for a limited amount of new residential development on the Sylco Lots, and the developer will provide funding for the Borough to create low and moderate income housing in Demarest’s central business district which has public transportation access and is oriented to pedestrian-friendly business to service the needs of surrounding residents; and

**WHEREAS**, upon notice duly provided pursuant to N.J.S.A. 40:55D-13, the Planning Board of the Borough of Demarest conducted a public hearing on May 6, 2020 on a draft of the Housing Element and Fair Share Plan of the proposed Master Plan Amendments, presented by Darlene A. Green, P.P., AICP of Maser Consulting P.A., at which public comments were received under oath; and

**WHEREAS**, Darlene A. Green, P.P., AICP being duly sworn and qualified has reviewed the contents of the February 21, 2020 Housing Element and Fair Share Plan which addresses the following:

1. The Borough's Affordable Housing obligation, and the Borough's goals and objectives to undertake to satisfy its Third Round Realistic Development Potential and address its Third Round Unmet Need obligation;
2. A review of the Borough's population demographics including age of population, household size, income and poverty status and other updated demographics;
3. Information and analysis as to capacity for affordable housing including land capacity and potential affordable housing developers and anticipated development patterns;
4. Fair Share Plan reflecting the description of existing affordable housing credits, description of mechanisms to meet outstanding obligations and an implementation schedule as set forth in a time table for units to be provided.

**WHEREAS**, Ms. Green being duly sworn and qualified, reviewed the contents of the February 21, 2020 Housing Element and Fair Share Plan which addresses the following:

1. How the Borough's affordable housing obligation may be satisfied and/or addressed, and how issues affecting future growth such as development regulations, land uses, vacant land, inventory, may be utilized to address the Borough's unmet need obligation to provide access to low and moderate income housing in accordance with the requirement of the Fair Housing Act and the laws of the State of New Jersey while respecting the character and density of the Borough of Demarest.

**WHEREAS**, as required by N.J.S.A.52:27D-310, the essential components of the municipality's housing element are designed to achieve the goal of access to affordable housing to meet present and prospective housing needs and shall contain at least (a) an inventory of the municipality's housing stock; (b) a projection of the municipality's housing stock including the probable future construction of low and moderate housing for the Third Round Affordable Housing obligation; (c) an analysis of the municipality's demographic characteristics; (d) an analysis of the existing and probable future employment characteristics; (e) a determination of the municipality's present and prospective fair share for low and moderate income housing; and (f) a consideration of the lands that are the most appropriate for the construction of low and moderate income housing and of the existing structures most appropriate for conversion to or rehabilitation for low or moderate income housing.

WHEREAS, at the May 6, 2020 hearing members of the public were afforded an opportunity to testify and ask questions about the February 21, 2020 Housing Element and Fair Share Plan; and

WHEREAS, after hearing the public's testimony and questions, the Borough of Demarest Planning Board voted to adopt the February 21, 2020 Housing Element and Fair Share Plan.

NOW THEREFORE BE IT RESOLVED, that the Planning Board of the Borough of Demarest hereby adopts the Housing Element and Fair Share Plan dated February 21, 2020 prepared by Darlene A. Green, P.P., AICP of Maser Consulting PA.

BE IT FURTHER BE RESOLVED, by the Planning Board of the Borough of Demarest that a copy of this Resolution adopting the Housing Element and Fair Share Plan dated February 21, 2020 be forwarded to the Bergen County Planning Board, New Jersey Office of Planning Advocacy and to the Borough Clerk for distribution to the Mayor and Borough Council pursuant to N.J.S.A. 40:55D-131. Notice of this adoption shall be published in the official newspaper of the Planning Board and on the Borough's website.

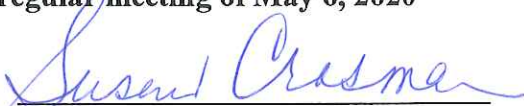
The above resolution was adopted on May 6, 2020 by the following vote of Board Members Approved and adopted as of this 6th day of May, 2020.

  
\_\_\_\_\_  
BRIAN KEANE, Chairman

Attest:

  
\_\_\_\_\_  
Susan Crosman, Board Secretary

I certify this to be a true and complete copy of the Resolution adopted by the Planning Board of the Borough of Demarest at its regular meeting of May 6, 2020

  
\_\_\_\_\_  
Susan Crosman, Board Secretary

\* \* \* \* \*

Moved by: Mrs Fox  
Second by: MR Tapacchi

	Aye	Nay	Abstain
Schooler	✓		
Alevrontas	✓		
Fox	✓		
Tabacchi	✓		
Rifkind	✓		
Paster	✓		
Hayden	✓		
Parlamis			✓ ✓
Fulin (alt. 1)			✓
Verp (alt. 2)	✓		

Appendix X.

Council HEFSP Resolution

**RESOLUTION OF THE DEMAREST BOROUGH COUNCIL ENDORSING AN  
ADOPTED HOUSING ELEMENT AND FAIR SHARE PLAN**

**WHEREAS**, the Planning Board of the Borough of Demarest, Bergen County, State of New Jersey, adopted the revised Housing Element and Fair Share Plan of the Master Plan on May 6, 2020; and

**WHEREAS**, the Housing Element and Fair Share Plan adopted by the Planning Board as part of a Master Plan amendment is consistent with the Settlement Agreement in that certain litigation entitled In the matter of Declaratory Judgment by the Borough of Demarest, et als., Docket number BER-L-6301-15, which was settled by virtue of a Settlement Agreement dated December 27, 2017 and executed on January 23, 2018, and such settlement was approved by Court ruling of March 26, 2018.

**NOW THEREFORE BE IT RESOLVED** that the Governing Body of the Borough of Demarest, Bergen County, State of New Jersey, hereby endorses and agrees to implement the Housing Element and Fair Share Plan as adopted by the Borough of Demarest Planning Board on May 6, 2020.

I certify that this is a true copy of the resolution adopted by the Borough Council of the Borough of Demarest at its regularly scheduled meeting of May 18, 2020.

ATTEST:

  
Susan Crosman, RMC-Municipal Clerk

  
Melinda J. Iannuzzi-Mayor

Date: 5-18-2020

\* \* \* \* \*

Moved by: Mr Connelly  
Second by: Mrs Kurys

	Aye	Nay	Abstain
Carroll:	✓		
Connelly:	✓		
Fox:	✓		
Hamilton:	✓		
LaPira:	✓		
Kurys:	✓		

Mayor Iannuzzi:

Appendix Y

127 Hardenburgh Information

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE BOROUGH OF  
DEMAREST IN THE COUNTY OF BERGEN, STATE OF NEW JERSEY,  
DESIGNATING REDEVELOPER AND AUTHORIZING REDEVELOPER'S  
AGREEMENT**

**WHEREAS**, by Resolution dated July 24, 2017 and pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "Redevelopment Law"), the Borough Council of the Borough of Demarest designated twenty three (23) lots in the Borough's 'downtown' area as an "area in need of rehabilitation" pursuant to the criteria contained in N.J.S.A. 40A:12A-7; and

**WHEREAS**, the firm of Maser Consulting, PA submitted a Redevelopment Plan, that has been adopted by the Governing Body as required by statute; and

**WHEREAS**, the Borough owns at least one property, to wit, Block 23, Lots 13 & 14, commonly known as 127 Hardenburgh Avenue, (the 'Property') within the Zone that is ripe for redevelopment and is required to be redeveloped pursuant to the Borough's Affordable Housing Settlement pursuant to Third Round Compliance requirements; and

**WHEREAS**, pursuant to N.J.S.A. 40A:12A-9, a redeveloper's agreement and designation of a redeveloper are required to effectuate the Redevelopment Plan.

**NOW, THEREFORE, BE IT RESOLVED** by the Mayor and Council of the Borough of Demarest, they being the Governing Body thereof, as follows:

1. That United Way of Bergen County, LLC be and hereby is designated as redeveloper of the Property, pursuant to the Redevelopment Plan adopted by the Borough herein; and
2. the terms and conditions of the Redevelopment shall be further defined and affirmed by virtue of a Redeveloper's Agreement pursuant to N.J.S.A. 40A:12A-9, which shall be consistent with the Settlement Agreement and any past or future Order of the Court, and the Redevelopment Plan and to be executed by and between the Redeveloper and the Borough.

**BE IT FURTHER RESOLVED**, that the Borough Clerk shall forthwith transmit a copy of this resolution to the Commissioner of Community Affairs, in accordance with N.J.S.A. 40A:12A-6, with a copy served upon the service list in the Borough's Declaratory Judgment litigation; and

This Resolution shall take effect immediately.

Certified to be a true copy of the Resolution adopted by the Demarest Borough Council at its regular meeting of March 30, 2020, by:

Melinda J. Iannuzzi  
Melinda J. Iannuzzi, Mayor

Attest:

Susan Crosman  
Susan Crosman, RMC  
Municipal Clerk

\* \* \* \* \*

Moved by: Carroll

Second by: Connelly

	Aye	Nay	Abstain
Carroll:	✓		
Connelly:	✓		
Fox:	✓		
Hamilton:	✓		
LaPira:	✓		
Kurys:	✓		

Mayor Iannuzzi:

**BCUW/Madeline Housing Partners LLC**  
**Summary of Estimated Supportive Housing Project Costs - Demarest, NJ**  
**June 1, 2020**

**Proposed site:**

127 Hardenburgh Avenue, Demarest, NJ  
 Block 23, Lot 13

**Requirements:**

**Group Home with four (4) bedrooms, 6 Supportive & 8 Family units**

**Funding sources:**

Borough of Demarest	
Soft Costs, Permits, etc	\$ 30,000
Deed Restriction (\$40,000 per bed)	160,000
Very-low Income Unit	400,000
Affordable Units	100,000
	<u>690,000</u>
New Jersey HMFA	250,000
Bergen County HOME	500,000
Federal Home Loan Bank	500,000
<b>Total sources</b>	<u><u>\$ 1,940,000</u></u>

**Uses:**

Land Acquisition	\$ -
Furniture	52,500
Construction - Residential structure:	
Site Work & Construction Cost (AIA)	3,951,360
Contingency:	
Construction (5%)	197,568
Soft Costs (5%)	19,863
	<u>217,431</u>
Developer Fee (5%)	197,568
Professional services, includes the following:	
Architect	120,960
Civil Engineering	82,757
Engineer Escrows	32,256
Attorney	48,384
Insurance	32,256
Utility Connection Fees	32,256
Permit Fees	48,384
	<u>397,253</u>
Carrying and financing costs during construction	TBD
<b>Total uses</b>	<u><u>\$ 4,816,112</u></u>
<b>Funding deficit</b>	<u><u>\$ (2,876,112)</u></u>

**Assumptions:**

	Units	Square Feet
Group Home (4 Bedroom)	1	2,604
Community Room	-	270
Supportive	6	5,864
Family	8	7,390
	<u>15</u>	<u>16,128</u>

*Bergen County's United Way/Madeline Housing Partners*

**Borough of Demarest**

Preliminary Development Construction Timeline

<b>#</b>	<b>Task</b>	<b>Start Date</b>	<b>Finish Date</b>	<b>Responsibility</b>
1	Execute Transfer & Developer Agreement	9/1/2020	11/2/2020	Mayor and Council
2	Engineering & Environmental Soil Testing	11/3/2020	12/3/2020	BCUW/Madeline – Engineer
3	Architectural Plan Development for Site Plan Submission	12/3/2020	1/4/2021	Architect
4	Site Plan Hearing & Approval	1/11/2021	2/3/2021	Attorney
5	Submission to County for County Planning Board Approval	2/4/2021	3/4/2021	Attorney
6	Project Bidding	3/4/2021	4/1/2021	BCUW/Madeline
7	Project Financing Process	3/4/2021	10/29/2021	BCUW/Madeline
8	Construction Contract Award	4/8/2021	---	BCUW/Madeline
9	Submission to Borough's Building Department & Engineering Department for Permits	4/15/2021	5/24/2021	General Contractor
10	Construction Begins	5/24/2021	3/1/2022	General Contractor
11	Certificate of Occupancy Granted	3/15/2022	---	Building Department
12	Tax Exempt Application	3/30/2022	---	BCUW/Madeline – Tax Assessor