

## **WHAT IS AN ACCESSORY APARTMENT?**

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

## **RESPONSIBILITIES OF OWNERS OF ACCESSORY APARTMENTS**

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

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

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

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

## **CREATION OF AN ACCESSORY APARTMENT**

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

## REQUIREMENTS FOR CREATING AN ACCESSORY APARTMENT

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

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

## COMPENSATION FOR THE CREATION OF AN ACCESSORY APARTMENT

- The municipality will provide \$[*Insert amount no less than \$20,000*] per unit to subsidize the creation of a moderate-income accessory apartment and \$[*Insert amount no less than \$25,000*] per unit to subsidize the creation of a low-income accessory apartment. [*If the municipality is creating only low-income units or only moderate-income units through this program, only include that level subsidy.*]
- [*If the municipality will be waiving municipal fees associated with construction permits, mention it here.*]

- *[If the municipality will expend additional funds in order to rehabilitate existing units and bring them up to code, explain the procedures here.]*

## **PROCESS FOR CREATING AN ACCESSORY APARTMENT**

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

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

