



**AGENDA FOR THE COUNCIL MEETING OF THE BOROUGH OF MOUNTAIN LAKES
HELD AS A REMOTE MEETING ON ZOOM
SEPTEMBER 30, 2020
PUBLIC SESSION – BEGINS AT 7:30 PM**

To Participate via computer please use the following link: <https://zoom.us/j/208487754> or call iPhone one-tap : US: +13126266799,, 208487754# or +19292056099,,208487754#
Or Telephone: Dial (for higher quality, dial a number based on your current location):
US: +1 312 626 6799 or +1 929 205 6099 or +1 346 248 7799 or +1 669 900 6833 or
+1 253 215 8782 or +1 301 715 8592 Webinar ID: 208 487 754

1) CALL TO ORDER AND OPEN PUBLIC MEETINGS ACT STATEMENT – Mayor

This meeting is being held in compliance with Public Law 1975, Chapter 231, Sections 4 and 13, as notice of this meeting and the agenda thereof had been reported to The Citizen and the Morris County Daily Record and The Star Ledger on January 7, 2020 and posted in the municipal building.

2) ROLL CALL ATTENDANCE - Clerk

3) FLAG SALUTE – Mayor

4) EXECUTIVE SESSION

5) COMMUNITY ANNOUNCEMENTS

6) SPECIAL PRESENTATIONS

7) REPORTS OF BOROUGH ESTABLISHED BOARDS, COMMISSIONS AND COMMITTEES

8) PUBLIC COMMENT

Please state your name and address for the record. Each speaker is limited to one (1) comment of no more than five (5) minutes and no yielding of time to another person.

9) BOROUGH COUNCIL DISCUSSION ITEMS

- a. Westbound Rt. 46 Zone Change Proposal
- b. Single Use Plastic Ban Proposed Ordinance
- c. Affordable Housing Accessory Apartments Program

10) ATTORNEY'S REPORT

11) MANAGER'S REPORT

12) RESOLUTIONS

13) ORDINANCES TO INTRODUCE

14) ORDINANCES TO ADOPT

- a. Ordinance 11-20, Authorizing a Special Emergency Appropriation in the Sum of \$125,000.00 to Abide the Cost of a Real Property Tax Re-Assessment Program Approved by the Morris County Board of Taxation Together with Related Necessary Expenses and to Authorize the Financing of the Same by the Issuance of "Special Emergency Notes" Pursuant to N.J.S.A. 40A:4-55 Should the Same Be Required
- b. Ordinance 12-20, Amending Chapter 111 of the Revised General Ordinances of the Borough of Mountain Lakes and Revising the Fee Schedule

15) ORDINANCES TO RE-ADOPT

- a. Ordinance 3-20, Authorizing Chapters 40 and 245 of the Revised General Ordinances of the Borough of Mountain Lakes (East-Bound Rt. 46 Ordinance)

16) *CONSENT AGENDA ITEMS

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

***RESOLUTIONS**

- a. R139-20, Authorizing the Payment of Bills
- b. R140-20, Authorizing 2020 Municipal Employees' Salary

***APPROVAL OF MINUTES**

9/14/20 (Regular)

***APPROVAL OF REPORTS FOR FILING** (reports are included only if checked)

- Construction Department
- Department of Public Works
- Fire Department
- Health Department
- Police Department
- Recreation Department
- Code Enforcement/Property maintenance report

***BOARD, COMMITTEE AND COMMISSION APPOINTMENTS**

17) COUNCIL REPORTS

18) PUBLIC COMMENT

Please state your name and address for the record. Each speaker is limited to one (1) comment of no more than five (5) minutes and no yielding of time to another person.

19) NEXT STEPS AND PRIORITIES

20) ADJOURNMENT

9-30-20 EDAC-Westbound rt 46

This is a follow up discussion from the Council meetings on 5-11-20 and 7-27-20

The Economic Development Advisory Committee has reviewed the zoning ordinances for the OL-1, and OL-2 zones.

The goals of the EDAC were as follows:

- To clarify the language used in the Ordinance
- To update the ordinance to allow for more modern uses
- To evaluate the uses so that Mountain lakes can better take advantage of responsible development efforts that may benefit and enhance our community.

The request of Council at the May 11th meeting was for the committee to follow up with a draft ordinance for the proposed changes to the OL-1 and OL-2 areas.

Additional direction was for the committee to meet with adjacent property owners of a proposed new business zone at the westernmost edge of westbound rt. 46. After discussion at the July 27th Council meeting the direction from council was for the committee not to pursue that proposed new business zone. The

Following up on the remaining request of Council, the draft ordinance and recommendations for the OL-1 and OL2 zones are attached on the following pages for review.

The committee is currently looking for Council to approve the attached draft update to the OL-1 and OL-2 zones for introduction at the next Council Session.

Color Legend

Existing use
Uses to be added
Uses be removed

White
Green
Yellow

Proposed Permitted Uses

Business/Professional Service Offices
Light mfg or Data Processing
Financial Institutions
Retail/Wholesale
Assisted Living

Adult Day Care
Educational Play Center
Health and Fitness Facility
Indoor Commercial Recreation
Instructional Schools and Studios
Pet Care and Grooming
Satellite Dry Cleaning

Proposed Conditional/Supplementary Uses

Essential Services
Child Care Center

Auto service station

Parking

Hotel
Drive in Restaurants
Self Storage facility
Electric Car Charging Station
Multi Use Residential
Assisted Living

BOROUGH OF MOUNTAIN LAKES

ORDINANCE NO. ____-2020

AN ORDINANCE AMENDING CHAPTER 245 OF THE REVISED GENERAL ORDINANCES OF THE BOROUGH MOUNTAIN LAKES.

BE IT ORDAINED by the Borough of Mountain Lakes in the County of Morris and State of New Jersey, as follows:

Section 1. Chapter 245, "Zoning", Section 245-12, "Office and Light Industrial Zones OL-1 and OL-2," shall be amended to add the following:

A. Permitted principal uses.

- (4) Restaurant, excluding drive-in restaurant.
- (5) Adult day care facility.
- (6) Educational play center.
- (7) Health and fitness facility.
- (8) Indoor commercial recreation use.
- (9) Instructional schools and studios.
- (10) Pet care and grooming facility.
- (11) Satellite dry cleaning establishment.

B. Permitted accessory uses.

- (6) Electric car charging stations.

C. Conditional uses.

- (1) Assisted living residences subject to Section 245-16.
- (2) Any conditional use permitted in the B-Business Zone, except for automobile service stations.
- (3) Mixed commercial/residential use subject to Section 245-16.

Section 2. Chapter 245, "Zoning", Section 245-16, "Conditional use requirements", shall be amended to add the following:

K. Mixed commercial/residential use. Mixed commercial/residential buildings containing multi-family units above ground floor space devoted to any principal permitted use in the OL-1 and OL-2 Zones other than light manufacturing, processing of data and materials, storing, assembly or fabrication of goods and materials, printing and publishing research, subject to the following:

- (1) Minimum lot size: 2 acres
- (2) Minimum lot frontage: 200 feet
- (3) Maximum building height: 3 stories/40 feet
- (4) Minimum front yard setback: 75 feet
- (5) Minimum side yard setback: 50 feet
- (6) Minimum rear yard setback: 75 feet
- (7) Maximum building coverage: 30%
- (8) Maximum improved coverage: 60%
- (9) No parking area shall be located within 50 feet of a front lot line or within 25 feet of any other lot line.
- (10) A minimum fifty (50) foot landscaped buffer to any residential zone boundary line shall be required which shall consist of either existing vegetation or new plantings, or where appropriate, a combination of existing vegetation and new plantings.
- (11) Multiple buildings on a lot shall be permitted.
- (12) No permitted principal use other than multi-family residential units shall be located above the ground floor of any mixed-use building.
- (13) Parking for mixed-commercial/residential buildings may be provided within the ground floor level of the building or in surface lots, or a combination of the two.
- (14) Development of multi-family residential units shall be subject to the Borough-wide mandatory affordable housing set-aside ordinance as set forth in Section 245-24.

Section 3. Chapter 245, "Zoning", Schedule I, "Bulk Requirements", shall be amended by adding Note 21 to the OL-1 and OL-2 Zones to read as follows:

Note 21: For any permitted principal use other than light manufacturing, processing of data and materials, storing, assembly or fabrication of goods and materials, printing and publishing research, the Bulk Requirements for the B-Business Zone shall apply, however in no event shall the landscaped buffer abutting residential areas or zones be less than 100 feet.

Section 4. If any section or provision of this Ordinance shall be held invalid in any Court of competent jurisdiction, the same shall not affect the other sections or provisions of this Ordinance, except so far as the section or provision so declared invalid shall be inseparable from the remainder or any portion thereof.

Section 5. All Ordinances or parts of Ordinances which are inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 6. This Ordinance shall take effect immediately after final passage and publication in the manner provided by law.

Council Member	By:	2 nd	Yes	No	Abstain	Absent
Barnett						
Happer						
Horst						
Korman						
Lane						
Menard						
Shepherd						

I, Mitchell Stern, Acting Borough Clerk of the Borough of Mountain Lakes, in the County of Morris, in the State of New Jersey, certify this to be a true copy of the Resolution adopted at the regularly scheduled session of the Borough Council held on _____, 2020.

9-30-20 Environmental Commission Update

This is a follow up discussion to the June 8th Council review of the Plastic Bag Ban Ordinance.

Council asked for the committee to meet with local business owners to get their feedback on any potential impact the ordinance would have on their business.

We have met with the business owners and wanted to report back to council on those findings. In summary, businesses supported the plan, in fact, it would reduce the need to carry the inventory they need to currently.

The current recommendation of the Commissions is to:

- Proceed forward with a post-dated ordinance to begin six months to a year after passage
- Continue to show State Government local support for this Ban

**BOROUGH OF MOUNTAIN LAKES
MORRIS COUNTY, NEW JERSEY**

ORDINANCE _____

**“AN ORDINANCE OF THE BOROUGH OF MOUNTAIN LAKES MORRIS COUNTY, NEW
JERSEY CREATING CHAPTER _____, SINGLE USE BAG BAN AT RETAIL
ESTABLISHMENTS, OF THE CODE OF MOUNTAIN LAKES”**

WHEREAS, the Borough finds that 1 trillion plastic bags are used worldwide and less than 5% of that plastic is recycled; and

WHEREAS, the Borough finds that the United States alone uses over 380 billion plastic bags and wraps yearly, and that over 4 billion single use bags are used by New Jersey residents annually; and

WHEREAS, the Borough finds that up to 80% of ocean plastic pollution enters from land, injuring or killing 267 species and 100,000 marine animals worldwide annually; and

WHEREAS, the Borough finds that numerous studies by government and environmental groups have found that use of single-use plastic carryout bags poses serious public health and environmental risks, causing damage to and contamination of public waterways and ecosystems that pollute drinking water, threaten wildlife, block storm drains and negatively impact the ecosystem and food chain as a whole; and

WHEREAS, the Borough finds that single-use plastic waste degrades neighborhoods and constitutes litter in parks and sewer systems and the Passaic, Whippany and Rockaway Rivers and their tributaries; and

WHEREAS, the Borough finds that single-use plastic bags are now regulated in sixty countries, four major cities in the United States, as well as hundreds of towns throughout the United States and twenty-five in New Jersey as of this date; and

WHEREAS, the Borough finds that it is time for the Borough of Mountain Lakes to make a stand and do its part to protect our oceans and other waterways and natural resources from the problems associated with non-degradable plastic bag pollution; and

WHEREAS, the Borough finds that it is in the best interest to regulate the use of single-use plastic bags and paper bags by retail establishments and promote the use of reusable bags within the Borough;

**BE IT ORDAINED BY THE BOROUGH COUNCIL OF MOUNTAIN LAKES , IN
THE COUNTY OF MORRIS, NEW JERSEY AS FOLLOWS:**

SECTION 1. Chapter____, SINGLE USE BAGS AT RETAIL ESTABLISHMENTS,
is hereby created and added in its entirety to the Code of Borough of Mountain Lakes as follows:

§__-1 Definitions.

As used in this chapter, the following terms shall have the meanings indicated:

COMPLIANT BAGS

Recyclable paper carry-out bags and reusable bags as follows:

- A. A recyclable paper carry-out bag is a paper bag that meets all of the following minimum requirements:
 1. It is one hundred percent (100%) recyclable overall and contains a minimum of forty percent (40%) post-consumer recycled material and can be composted.
 2. It displays the words "recyclable" and/or "reusable" in a highly visible manner on the outside of the bag.
- B. A reusable bag means a bag with handles made of cloth or other washable fabric or is otherwise durable that is specifically designed and manufactured for multiple use and meets the following additional requirements:
 1. It is machine washable or is made from a material that can be cleaned or disinfected; or
 2. It is a durable bag that is specifically designed and manufactured for multiple use.

CUSTOMER

Any person purchasing goods or services from a retail establishment.

OPERATOR

Any person in control of, or having the responsibility for, the operation of a retail establishment, which may include, but is not limited to, the owner of the retail establishment.

PERSON

Any natural person, firm, corporation, partnership, or other organization or group however organized.

POST-CONSUMER RECYCLED MATERIAL

A bag constructed of a material that would otherwise be destined for solid waste disposal, having completed its intended end use and product life cycle. "Post-consumer recycled material" does not include materials and by-products generated from, and commonly reused within, an original manufacturing and fabrication process.

PRODUCE BAG OR PRODUCT BAG

A very thin bag without handles used exclusively to carry produce, meats, or other food items to the point of sale inside a retail establishment or, for reasons of public health and safety, to prevent such food items from coming into direct contact with other purchased items.

RECYCLABLE

Material that can be sorted, cleansed and reconstituted using available recycling collection programs for the purpose of reusing the altered, incinerated, converted or otherwise thermally destroyed solid waste generated therefrom. The material must be recycled in a manner that is environmentally effective, economically feasible and safe for employees as deemed feasible by the Borough of Mountain Lakes.

RETAIL ESTABLISHMENT

Any store or commercial establishment that sells perishable or nonperishable goods, including, but not limited to, clothing, food and personal items, directly to the customer and is located within or doing business within the geographical limits of the Borough of Mountain Lakes. Retail establishments include: business establishments that generate sales or use-tax; drug stores; pharmacies; supermarkets; grocery stores; convenience food stores; food marts; or other commercial establishments (i.e. restaurants and take-out food establishments or any other business that prepares and sells prepared food to be eaten on or off its premises). This definition also includes commercial establishments that sell clothing, hardware, or any other non-perishable goods. It does not include nonprofit charitable reusers as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, or a distinct operating unit or a division of the charitable organization that reuses and recycles donated goods or materials and receives more than 50% of its revenue from the handling and sale of those donated goods and materials.

SINGLE-USE PLASTIC CARRY-OUT BAG

Any bag made predominantly of plastic derived from either petroleum or a biologically based source, such as corn or other plant sources, that is provided by an operator of a retail establishment to a customer at the point of sale. The term includes compostable and biodegradable bags but does not include reusable bags, produce bags, or product bags. This definition specifically exempts the following from the category of "single use plastic carry-out bags":

- A. Bags provided by operators and used by consumers inside retail establishments to:
 - 1. Package bulk items, such as fruit, vegetables, nuts, grains, candies or small hardware items;
 - 2. Contain or wrap frozen foods, meat or fish, whether packaged or not;
 - 3. Contain or wrap flowers, potted plants, or other items where dampness may be an issue; or
 - 4. Contain unwrapped prepared foods or bakery goods; or
 - 5. Pharmacy prescription bags.
- B. Newspaper bags, door-hanger bags, laundry and/or dry cleaning bags, or bags sold in packages containing multiple bags intended for use as food storage bags, garbage bags, yard waste bags or pet waste bags.

§ __-2. Single-use plastic carry-out bags prohibited.

No retail establishment within the Borough of Mountain Lakes shall provide any single-use plastic carryout bags, as defined in §_-1, above, to any customer or person at the checkout point or cash register, point of sale or other point of departure or point of distribution for the purpose of transporting products or goods out of the business or store. The point of sale in such transactions is deemed to be at the retail establishment, regardless of where payment for the transaction physically occurs.

§ __-3. Availability and Use of Compliant Bags to Customers.

- A. All Retail Establishments shall make available to customers, for a fee, compliant bags, as defined in §_-1, above, for the purpose of carrying goods or other materials away from the point of sale, subject to the provisions of this Chapter. The fee charged shall be reflected in the sales receipt.
- B. No provision in this Chapter prohibits customers from using bags of any type that they choose to bring to a retail establishment themselves, in lieu of using bags available for a fee from the retail establishment, or from carrying away goods that are not placed in a bag.

§ __-4. Fees for provision of compliant bags.

- A. All retail establishments shall make recyclable paper carry-out bags available to customers upon request for a fee of at least \$0.10 but not more than \$0.25 per bag if customers choose not to bring their own reusable bag.
- B. A retail establishment may provide customers with a reusable bag, as defined herein, for a fee of at least \$0.10.
- C. All monies collected by retail establishments for the fees established herein shall be retained by the retail establishment.

§ __-5. Use of reusable bags encouraged.

All retail establishments must provide customers with compliant bags, upon request, if a customer fails to bring his or her own bags, in accordance with the fee structure set forth in §181-4, above. A retail establishment may choose, in its discretion, to provide a credit to customers who choose to bring their own bags.

§ __-6. Exempt customers.

All retail establishments must provide at the point of sale, free of charge, compliant bags, to any customer who participates in, or is a beneficiary of, any United States government (Federal) welfare program, or any local or Morris County welfare assistance program, or any New Jersey State welfare program, including but not limited to the New Jersey Supplemental Nutrition Assistance Program (SNAP) or the New Jersey State Supplemental Security Income Program (SSI) and Women, Infants and Children(WIC). Such customers must provide documentation proving that they participate in, or are beneficiaries of such programs.

B Any person who receives food, household items and/or personal care items from a food pantry or food distribution program shall be provided paper or reusable bags without charge.

§ __-7. Outreach and education.

- A. The Borough of Mountain Lakes shall assist operators of retail establishments by referring them to appropriate municipal websites with information and to retail associations, unions or other organizations that have educational materials concerning the benefits of reusable bags rather than recyclable paper carry-out bags.
- B. All retail establishments shall be strongly encouraged to educate its staff in ways to promote the use of reusable bags and to post signs encouraging customers to use reusable bags rather than recyclable paper carry-out bags.
- C. All retail establishments shall be strongly encouraged to educate the public on plastic bag and plastic film recycling.

§ __-8. Enforcement.

The Director of Public Works or his or her designee, which may include the Office of Health in the Department of Human Services, has the responsibility of enforcement of this ordinance and may promulgate reasonable rules and regulations in order to enforce its provisions, including but not limited to investigating violations and issuing fines.

§ __-9. Violations and penalties.

- A. Any retail establishment that violates or fails to comply with this ordinance or the rules and regulations promulgated therefrom, after an initial written warning notice has been issued, shall be liable for a violation of this ordinance.
- B. If a retail establishment commits subsequent violation(s) after the issuance of an initial written warning notice, the following penalties shall be imposed and shall be payable by the operator of the retail establishment upon conviction thereof:
 - 1. A fine not exceeding \$100 for the first violation after the written warning notice is given;
 - 2. A fine not exceeding \$200 for the second violation after the written warning notice is given; and
 - 3. A fine not exceeding \$500 for the third and any subsequent violations after the written warning notice is given.
- C. A separate offense shall be deemed committed on each day during or on which a violation occurs.

September 30, 2020

Memo

To: Borough Council

From: Mtn. Lakes Affordable Housing Advisory Committee (AHAC)

Item to be discussed:

Mtn. Lakes Accessory Apartment Policies and Procedures Manual and recommendation to move forward with implementation of accessory apartment program

The AHAC is pleased to report to the Borough Council it has completed the next phase of implementing the Borough's Fair Share Plan of developing an accessory apartment program policies and procedures manual.

Background:

The Borough of Mtn. Lake's Housing Element and Fair Share Plan proposes to apply five accessory apartment units towards its Third Round Prospective Need obligation. The Plan recognized the Borough's housing stock as conducive to establishing accessory apartments since many homes have attached or detached garages/carriage houses that would be suitable for such use.

The Borough's Accessory Apartment Ordinance requires homeowners participating in this process to comply with affirmative marketing and affordability controls for a period of 10 years.

Current Status/Facts:

The 2020 goals for the Mtn Lakes Affordable Housing Advisory Committee (AHAC) were:

- To work with newly hired administrative agent, CGP&H on the development and implementation of a robust affordable accessory apartment program in Mtn. Lakes
- Assist CGP&H professionals to develop an Accessory Apartment Policies and Procedures Manual
- Develop a community education and public outreach program with materials for the Accessory Apartment Program

Committee Consideration for Discussion

The AHAC presentation to the Borough Council the Accessory Apartment Policies and Procedures Manual for Borough Council discussion and approval at its next Borough council meeting. Additionally, the committee is recommending a timeline for implementation of the program with public outreach and education.

Back up information:

- Accessory Apartment Ordinance
- Accessory Apartment Policies and Procedures Manual
- Draft Frequently Asked Questions (FAQ)
- Presentation

Next steps:

- October 13, 2020 Council adoption of manual
- October 2020 Committee assist CGP&H with development of supporting materials
- Nov 2020– January 2021 Committee hold Education and Information Sessions (ongoing efforts)
- Jan 2021 forward - Committee assist CGP&H in conduct Marketing and Outreach for apartments

Borough of Mountain Lakes

Affordable Accessory Apartments

FAQ

1. What is an accessory apartment?

A. A self-contained residential dwelling with a kitchen, sanitary facilities, sleeping quarters, and a private entrance, which is within an existing home.

2. What are some examples of an accessory apartment?

A. Examples include carriage houses, mother-in-law quarters, a small rental unit within a single-family home, or above-the-garage apartments in either attached or detached garages **which is within an existing home or in a separate existing structure..**

3. Who administers the Borough's Accessory Apartment Program?

A. The Borough's Administrative Agent*, CGP&H, will administer the process to find tenants for the accessory apartments

4. Is there a limit on the size of an accessory apartment?

5. What does it mean to have my apartment affordable?

A. Property is deed restricted for 10 years, subject to affordability controls in marketing, rental cost, and tenant income qualifications.

6. What if improvements are required on an existing apartment?

A. Homeowners will follow normal permitting, construction, and approval processes for all improvements.

7. What happens if I provide an affordable accessory apartment and accept the 10-year deed restriction, but unforeseen circumstances make it necessary for me to sell my house, for example in year 7?

A. The tenant will have to be allowed to stay in the apartment until the expiration of the deed restriction, if rent is paid, and other terms of the lease are met.

8. If, in the middle of the 10-year deed-restricted period, I need to move out of the house, can I rent out, at market rates the part of the house that I and my family had been living in, and keep the affordable accessory apartment as it has been?

A. Yes

9. What happens at the end of the 10-year deed restriction?

A. The property owner can keep the affordable of the Affordable Apartments program if the unit's rental cost stays within program limits. The owner can also rent out the unit to tenants, without regard to tenant income or limitations on monthly rental fee.

10. Is there a subsidy to offset the cost to participate in the program?

- A. The Borough will provide a one-time subsidy of \$5,000 to offset costs associated with program participation and prepping the apt.

11. What is the process for selecting a tenant?

- A. Our Administrative Agent will conduct an affirmative marketing plan to market and match the unit to income eligible households. All interested households must complete a preliminary application that includes household income and household composition. A random selection process will be conducted for multiple eligible households. Please refer to the Affordable Housing Policies & Procedures Manual for more information on selection.

12. What happens if the current tenant does not income- qualify for the unit?

- A. The current tenant can remain but as soon as the tenant leaves, the homeowner will engage with the Administrative Agent to get a new income-qualified tenant.

13. What happens if a tenant lives in my accessory apartment, and that tenant stops paying rent?

- A. Landlord/tenant law applies to affordable accessory apartments as it would for any rental apartment.

14. What if a tenant is difficult in a different way? (e.g. leaves trash around the property, is excessively noisy, somehow damages the property).

- A. Landlord/tenant law applies to affordable accessory apartments as it would for any rental apartment. Within the lease, the property owner can define expectations for treatment of the property. The property owner can also require a security deposit equal to one month's rent, refundable when the tenant moves out and the apartment has been inspected for damage beyond typical wear and tear.

15. What fees should I expect to pay as the owner of an Affordable Accessory Apartment?

- a. Fee for credentialing a tenant once the tenant has submitted a deposit to commit to an apartment - \$800 – incurred each time there's a change of tenant *(CGP&H to confirm or correct this amount and description)*
- b. Annual lease renewal fee - \$30/yr, payable to CGP&H
- c. Cost of smoke detectors and fire extinguishers as required by building code
- d. Unit upgrades as needed to comply with building code (e.g. firewall, egress window)

16. Is there a limit to a 12-month lease or can I offer a long-term lease (e.g. 2 or 3 years) to tenants?

- A.

17. Can I restrict my accessory apartment so that it is only available to military veterans who meet the affordable housing income limits and are identified through the affirmative marketing process?

- A. No. Mtn. Lakes does not have a military veteran preference in its ordinance.

18. How many affordable accessory apartments is in the Borough's Fair Share Housing Plan?

- A. Five (5) units

**MOUNTAIN LAKES AFFORDABLE
ACCESSORY APARTMENTS PROGRAM**

Presented by the Mountain Lakes Affordable
Housing Advisory Committee

SEPTEMBER 30, 2020

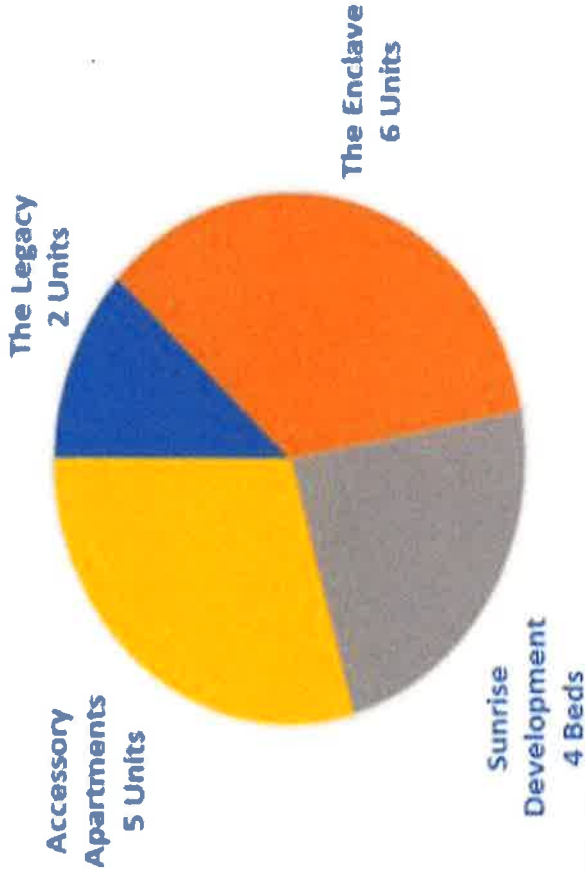
BACKGROUND AND PROGRAM OVERVIEW

- January 2019: The Borough of Mtn. Lakes amends and adopts its Housing Element of the Master Plan to include the Fair Share Plan
- The courts determined that Mtn Lakes has a Realistic Development Potential (RDP) of 17 units
- As part of the Borough's Fair Share Plan, five accessory apartment units are proposed towards its Third Round Realistic Development Potential

Accessory Apartments are a thoughtful and non-disruptive means for the Borough to meet its affordable housing requirement

MOUNTAIN LAKES AFFORDABLE HOUSING OBLIGATION 1999-2025

MOUNTAIN LAKES REALISTIC DEVELOPMENT POTENTIAL BREAKDOWN



REALISTIC DEVELOPMENT POTENTIAL TOTAL: 17 UNITS

WHO NEEDS AFFORDABLE HOUSING?

Community & Social Service	\$51,160		
Education, Training, & Library	\$58,194		
Arts, Design, Entertainment, Sports, & Media	\$54,494		
Healthcare Support	\$30,108		
Protective Service	\$45,223		
Food Preparation & Serving Related	\$24,284		
Building & Grounds Cleaning & Maintenance	\$29,671		
Personal Care & Service	\$27,028		
Sales & Related	\$30,566		
Office & Administrative Support	\$39,348		
Construction & Extraction	\$58,672		
Installation, Maintenance, & Repair	\$53,650		
Production	\$35,892		
Transportation & Material Moving	\$32,416		

WHAT IS AN AFFORDABLE ACCESSORY APARTMENT PROGRAM?

- **An Accessory Apartment is defined as a self-contained residential dwelling with a kitchen, sanitary facilities, sleeping quarters, and a private entrance, which is within an existing home or in a separate existing structure.**
- **Examples include carriage houses, mother-in-law quarters, a small rental unit within a single-family home, or above-the-garage apartments in either attached or detached garages.**

WHAT IS AN AFFORDABLE ACCESSORY APARTMENT PROGRAM?

- **Affordable Accessory Apartment Defined:** Property is deed restricted for 10 years, subject to affordability controls in marketing, rental cost, and tenant income qualifications
- **Benefits to Homeowners:** Provides extra income to assist in mitigating increases in the cost of living
- **Mountain Lakes Plan:** By January 2025, identify and issue CO's for **FIVE** Affordable Accessory Apartments in the Borough

ACCESSORY APARTMENT PROGRAM HIGHLIGHTS

A Policies and Procedures Manual along with an Operating Manual were produced for program implementation. The following are program highlights:

- **Borough's initial focus will be on the conversion* of existing Accessory Apartments to deed-restricted affordable apartments**
- **Obligation is 4 moderate-income and 1 very low - Income units**
- **Each Accessory Apartment will have a 10 - year deed restriction**
- **Borough will provide a one-time subsidy of \$5,000 to offset costs associated with program participation and prepping the apt.**

PROGRAM HIGHLIGHTS

- **The Borough's Administrative Agent*** will administer the process to find tenants for the accessory apartments
- **Tenants must income-qualify for the apartments**, and meet non-discriminatory criteria that the property owner defines (i.e. non-smoker, no pets, 1- vs. 2-person household)
- **If the current tenant income-qualifies for the unit, it will immediately become an affordable unit**
- **If improvements are required** on an existing apartment, homeowners will follow normal permitting, construction, and approval processes for all improvements

PROGRAM HIGHLIGHTS

- **Homeowners with current tenants can join the program, however, if the current tenant does not income-qualify for the unit, the tenant can remain but as soon as the tenant leaves, the homeowner will engage with the Administrative Agent to get a new income-qualified tenant**
- **At the end of the 10-year deed restriction, the property owner can keep the affordable unit in the affordable housing program if the unit rental cost stays within program limits. The owner can also rent out the unit to tenants, without regard to tenant income or limitations on monthly rental fee**

PROGRAM HIGHLIGHTS

Interested homeowners will be provided with an application, and the owner(s) must agree to restrict the apartment to affordable households, follow program guidelines and file a deed restriction on the property for a period of at least ten (10) years

2020 Income Eligibility Table Region 2

Household Size	Maximum Income Based on Household Size		
	Mod	Low	Very Low
1	\$51,700	\$36,929	\$22,157
2	\$59,086	\$42,204	\$25,322
3	\$66,471	\$47,479	\$28,488
4	\$73,857	\$52,755	\$31,653
5	\$76,811	\$54,865	\$32,919



Permitted Rents*

<u>Income Level</u>	<u>Studio/ Efficiency</u>	<u>Bedroom Size</u>		
		<u>1-Bedroom</u>	<u>2-Bedroom</u>	<u>3-Bedroom**</u>
Moderate	\$988 - \$1,108	\$1,030 - \$1,187	\$1,222 - \$1,424	\$1,395 - \$1,646
Low	\$803 - \$923	\$832 - \$989	\$985 - \$1,187	\$1,121 - \$1,372
Very Low	\$434 - \$554	\$436 - \$593	\$510 - \$712	\$572 - \$823

*Can be adjusted annually

**Landlord pays tenants utilities (water/gas/electric) for high end rent range

PROGRAM EDUCATION & OUTREACH PLAN

- **A one-page flyer mailed** to every Borough resident and posted on Borough website, Facebook page and in Virtual Backpack
- **Announces a date for a webinar/info session** with link to Borough website; Acc. Apts Manual and FAQs document; & phone number for answers to questions
- **Education Program** – 1 daytime, 1 evening; Program notices published in Borough eblast, press releases, will be recorded, posted to Borough Home Page and on YouTube
- **Post-Education:** link to recorded session distributed to Realtors in Borough and **property owner applications begin**

TIMELINE FOR PROGRAM IMPLEMENTATION

- **Sept. 30, 2020:** Final Accessory Apartment Policies & Procedures Manual presented to Council for discussion
- **October 12, 2020:** Council approves Accessory Apartment Policies & Procedures Manual
- **October 2020 – January 2021 (and ongoing):** Program Education and Outreach
- **January 2021:** Applications for accessory apartments available

NEXT STEPS FOR BOROUGH COUNCIL

- **Decision to accept Accessory Apartment Policies & Procedures Manual**
- **Assist with public forums on Accessory Apartment Program outreach and education**

THANK YOU - QUESTIONS/ANSWERS

Mtn. Lakes Affordable Housing Advisory Committee

Borough Council Members

David Shepherd, Mayor
Daniel Happer, Council member
Cynthia Korman, Council member

Professionals

Mitchell Stern, Borough Manager
Bob Oostdyk, Borough Attorney
Randy Gottesman, CGP&H Borough
Administrative Agent

Public Members

Blair Schleicher Wilson, Committee Chair
Sandy Batty, Secretary
Alex Gotthelf, Mtn. Lakes Historic Preservation Chair

Planning Board Members

Martin Kane, Chair
Kelly Holliday, Member

Borough of Mountain Lakes

New Jersey

Accessory Apartment Policies and Procedures Manual

August 13, 2020

Prepared by:



CGP&H

Community Grants, Planning & Housing

Good People. Great Results.™

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MOUNTAIN LAKES BOROUGH ACCESSORY APARTMENT PROGRAM GUIDELINES

1. INTRODUCTION

Properties in Mountain Lakes' Residential neighborhoods are currently zoned as single household residences. Although there are few exceptions, a second household unit within a residential property typically is not permitted. However, in January 2019, Mountain Lakes reached an Affordable Housing Plan Settlement agreement with New Jersey's Fair Share Housing Center. This agreement creates a change to the single household residency standard.

The Settlement agreement is a roadmap that the Borough is using to meet its affordable housing obligations. Included in the agreement is a requirement that, by January 1, 2025, there be five (5) Affordable Accessory Apartments in Mountain Lakes' residential neighborhoods.

According to N.J.A.C. 5:93-1.3 of the Substantive Rules of the New Jersey Council on Affordable Housing, an "Accessory apartment" is a self-contained residential dwelling with a kitchen, sanitary facilities, sleeping quarters, and a private entrance, which is within an existing home, or from the conversion of an existing accessory structure on the same site, or by an addition to an existing home or accessory building. For this sort of housing unit to be considered an Affordable unit, for a 10-year period it must be subject to affordability controls in marketing, rental cost, and tenant income qualifications.

This manual provides information for property owners interested in using an existing accessory apartment to obtain rental income through a Borough approved and recognized, legally permitted, apartment while supporting the community as a participant in the Borough's Affordable Housing Program.

Program Overview

The Accessory Apartment program will comply with the rules found in N.J.A.C. 5:93-5.9(c). Of the Borough's five (5) affordable accessory apartments, one (1) must be made available to a very-low income household and the remaining four can be designated moderate, low, or very low income at the homeowner's discretion.

As identified in the settlement agreement with the Fair Share Housing Center (FSHC) the Borough will prioritize the conversion of existing accessory apartments to deed restricted affordable apartments. This manual is designed to address that priority. As per the Settlement Agreement, in the event that the Borough cannot secure five deed restricted accessory apartments under the terms described above and in the settlement agreement, the Borough would then move to its second priority and pursue the creation of new accessory apartments within existing structures.

Furthermore, as per the provisions of the Borough of Mountain Lakes' Accessory Apartment Ordinance, no additional accessory apartments shall be permitted after issuance of a certificate of occupancy for the fifth accessory apartment. A waiting list will be maintained so that interested property owners can be contacted if new Affordable Housing regulations call for additional accessory apartments within the Borough.

The administrative provisions of this manual shall remain in full force and effect until the last deed restriction expires.

The Accessory Apartment Program Guidelines ("Guidelines") as outlined in this document supplement the Borough of Mountain Lakes' Administration of Affordable Apartments Operating Manual. These guidelines focus specifically on the unique aspects of turning existing accessory apartments within the Borough into deed restricted apartments. Accordingly, for any topics or areas of concern not covered in this specialized manual (such as, but not limited to rental increases, marketing, income eligibility and much more), the reader should refer to the Borough's main manual entitled Mountain Lakes Administrative Agent Operating Manual. Furthermore, the Borough Of Mountain Lakes' municipal code (Section 245-38) provides for penalties for violations of affordable housing regulations. The Manual will be considered an affordable housing regulation and the penalties provided for in Section 245-38 will apply.

METHOD BY WHICH AN EXISTING ACCESSORY APARTMENT CAN BECOME AN AFFORDABLE ACCESSORY APARTMENT

All accessory apartments shall be required to conform with the provisions of the Borough of Mountain Lakes' Accessory Apartment Ordinance, attached at Exhibit I of this manual.

1. A public notice will be placed on the Borough's website in several prominent locations to explain the Program. Potentially eligible homeowners will be encouraged to enter the program.
2. Homeowners wishing to explore converting an existing apartment into an affordable accessory apartment will be contacted promptly following their expression of interest in the program.
3. Interested homeowners will be provided with an application, and the owner(s) must agree to restrict the apartment to affordable households, follow program guidelines and file a deed restriction on the property for a period of at least ten (10) years.
4. While one apartment in the Borough must be designated for a very low income household, the remaining apartments may be designated as moderate, low, or very low income apartments. Interested homeowners will have an option as to whether they want to provide a moderate, low, or very-low income apartment on a first come, first served basis. For example, if the first four landlords all choose moderate income apartments, the last landlord must choose a very-low income apartment.
5. The Borough is willing to provide a one-time subsidy of \$5,000 for the conversion. This payment is to be used to offset any and all fees, or facility improvement costs that may be involved in the process of the existing apartment becoming an affordable accessory apartment. The costs covered by this subsidy also include current and future costs associated with contracting with the town's Administrative Agent to assist in affirmatively marketing the apartment. This subsidy offered by the Borough will only be paid one time in one payment when the property is formally dedicated and accepted as affordable housing.
6. If improvements are required on an existing apartment, homeowners will follow normal permitting, construction, and approval processes for all improvements and must receive a Certificate of Occupancy from the Municipality as a condition of receiving the one-time payment.

7. The Mountain Lakes Borough Construction Official must issue a Certificate of Approval confirming that the apartment meets the requirements of the Municipal code and New Jersey rehabilitation Subcode. This document shall be kept in the program participant's file.
8. The homeowner must schedule a closing for the execution of various program agreements and municipal subsidy documents. See below for documents required as part of this closing.
9. The Borough's Administrative Agent will affirmatively market the apartment as described in the Administrative Agent Manual to which these Accessory Apartment Guidelines are appended.
10. Once the apartment is created, it will be operated in accordance with the Administrative Agent Manual. Please refer to the Borough's Affordable Housing Administrative Agent Policies and Procedures manual for more information.

PROTECTION FOR EXISTING TENANTS IN ACCESSORY AFFORDABLE DWELLING APARTMENTS

The Borough recognizes that, in some cases, apartments which qualify for this program are presently occupied by existing tenants. Some of these tenants may have leases and others, who are month to month tenants, may still qualify for protection from eviction under New Jersey law. In any event, as a matter of policy, a program designed to expand and protect affordable housing should not result in the displacement of existing tenants. Conversely, excluding apartments which are presently occupied by tenants from the program would significantly limit the available pool of potential apartments for inclusion in the program and prevent the Borough from adding to its stock of protected affordable apartments thereby guaranteeing the future availability of affordable housing in the community.

Therefore, an apartment with an existing tenant may be considered for inclusion in the accessory affordable housing program subject to the following guidelines:

1. The existence of a tenant must be disclosed as part of the application for inclusion in the program. The tenant must be identified, a copy of the lease (if any) shall be provided and if there is no written lease a certification indicating the current rental amount and the date when the tenant first leased the property, and the tenant shall be advised of the application.

2. If an apartment is accepted into the program, an existing tenant shall be given the first opportunity to enter into a regulated affordable apartment lease (at the regulated rental amount) provided that the following conditions are met:
 - A. The tenant completes the necessary applications including income verification.
 - B. The tenant is not the parent, grandparent, child, or grandchild of the owner.
 - C. The tenant leased the apartment at least ninety days before the application was filed.
3. The deed restriction period for the apartment will begin immediately, provided that the income qualifications are met by the current tenant and provided that the rental amount complies with the applicable limitations.
4. If the current tenant does not meet the income qualifications and/or the rent charged does not comply with applicable limitations, the deed restriction period will begin on the date when the first income qualified tenant that goes through the usual affirmative marketing processes, and waiting list maintained by the Borough's Administrative Agent, gets certified and then takes possession of the apartment with a lease, and at a rental amount which complies with applicable limitations. During the interim, the Landlord will be required to annually submit evidence of occupancy via annual lease renewals, and notify the Administrative Agent (AA) immediately upon notification of an impending vacancy so that the AA can begin the re-rental process, as more fully explained in the Administrative Agent Operating Manual.

DOCUMENTS AND VERIFICATIONS REQUIRED PRIOR TO CLOSING

To schedule a closing for the execution of various program agreements and municipal subsidy documents, the following documents must be prepared and approved.

For Execution at the Closing

The Administrative Agent will oversee the execution of all necessary municipal agreements and municipal finance documents related to the accessory housing program. The Administrative Agent will be responsible for creating municipal lien documents, deed

covenant and recording applicable instruments subject to municipal attorney review and approval.

Construction Code Official Approval Letter

Certificate of Approval for the project indicating project viability is required from the Borough's building inspection official.

Deed

A copy of the recorded deed for the property.

Property Tax Verification

A certificate from the Borough tax collector indicating that tax payments are up to date.

Outstanding Mortgages & Liens

Disclosure and copies of all mortgages and liens.

Resolution from the Borough Council

A resolution from the Borough Council that approves the municipal subsidy will be drafted for approval by Council following a letter from the Administrative Agent stating that the applicant has met all the necessary requirements.

APPROVAL OF APPLICANT VERIFICATION DOCUMENTS BY THE BOROUGH ATTORNEY

After the Administrative Agent has obtained a resolution from the Borough Council approving an accessory apartment, the Administrative Agent shall forward relevant documents (deed restriction, and an Agreement between the town and the owner) to the Borough's attorney for review.

When the Borough attorney has approved the documents, the Administrative Agent will contact the applicant and schedule document signing.

PROMISSORY NOTES AND MORTGAGES

For apartments created from existing nonconforming uses, only a deed restriction and an Agreement between the Borough and the owner is required. The form and content of these documents must be satisfactory to the Borough attorney. The deed restriction document will clearly specify the ten year term of the agreement, as well as the apartment address, number of bedrooms, and the income level selected by the Landlord to be served (very low, low or moderate income households).

A copy of the deed restriction and Agreement shall be provided for the homeowner or their attorney for review in advance of closing. The Administrative Agent shall advise the homeowner to have his or her attorney approve the documents before they are executed.

At a mutually-agreed upon time, date, and place the homeowner and the Administrative Agent shall meet for the execution of the instruments. It can also be done via mail.

The fully executed deed covenant is to be recorded with the County Clerk by the Borough, with assistance from the Administrative Agent. All executed and recorded legal instruments shall be maintained by the Borough Clerk. The Agreement will be maintained by CGP&H in the Owner's file and CGP&H will also have a copy of the recorded deed restriction. The homeowner(s) shall be given copies of their fully executed documents. Copies of the Owner's complete file, including but not limited to the Agreement and deed covenant shall

be maintained by the Administrative Agent and transferred to the Borough at the completion of the Borough's contractual relationship with the Administrative Agent.

Schedule for Accessory Apartment

Only currently existing apartments will be permitted to apply to become affordable accessory apartments. If initial interest is more than five apartments, a lottery will be held. Otherwise, commitments will be made to Owners on a first come first served basis. In either case, the Owner's place in line will only be held for 120 days. After which time, it could be given to another owner if the legal documents have not been executed within that time period. Unforeseen causes of delay shall be communicated by the Homeowner to the Administrative Agent immediately.

File Closing

The Administrative Agent will close the homeowner's file after the Deed Restriction is returned from the County with recorded date, book and page. A program letter will be sent to the Homeowner, congratulating them for completing this work, and kicking off marketing of the rental apartment in accordance with the Borough's Administrative Agent Manual.

MARKETING OF THE ACCESSORY APARTMENT PROGRAM

As necessary, the Administrative Agent will advertise the accessory apartment program within Mountain Lakes to property owners via the Borough's website, and through the distribution of fliers. Other methods of advertising to existing homeowners, such as including fliers in tax bills or other official municipal communications will also be utilized when appropriate.

Additional, creative marketing prospects - Per suggestions from the Mountain Lakes Affordable Housing Committee, additional marketing initiatives may include but not be limited to the following additional activities:

1. Education: Educating the public, including but not limited to prospective owner participants is key to the success of this program. Therefore, in coordination with the Borough and its affordable housing advisory committee, CGP&H, if asked by the committee, will prepare and then offer an education event for all interested parties,

Borough of Mountain Lakes Affordability Assistance Policies and Procedures Manual

whether virtual or in person. Proper marketing via letters from the Mayor, press releases and various other forms of noticing will be utilized whenever appropriate. Emphasis will include explaining how the program works; the subsidy being offered; the rental income projections; the ability to rely on the Borough's Administrative Agent instead of paying a realtor; helping the Borough meet its affordable obligation via least impact on density, neighborhoods, services, schools, etc.

2. When marketing, ensure that we target all existing accessory apartments.
3. Protection of historic properties

This entire guidebook is geared towards turning existing accessory apartments into deed restricted affordable apartments. Nothing in this document is focused on the ultimate end user (tenants), as those processes are the same as for all other tenant based projects, the procedures of which are carefully laid out in the Borough's companion document entitled, Mountain Lakes' Administrative Agent Operating Manual.

Removing Affordability Controls

After the 10 year affordability period has passed, the affordability controls may be removed by the Borough Council. The landlord must request to the Administrative Agent in writing that he/she would like the Borough to release the unit from the requirements of the deed restriction. This request must include the street address where the unit is located and a copy of any lease that is currently in effect for any tenant that lives on the property.

If the unit is not vacant at the time of the request, the affordability controls shall remain in effect until the unit becomes vacant, provided the occupant continues to earn a gross annual income of less than 80% of the applicable median income. If, at that time, a rental household's income is found to exceed 80 percent of the regional median income, the rental rate restriction shall expire at the later of either the next scheduled lease renewal or 60 days. If the landlord wishes to re-income certify the tenant following the end of the ten year deed restriction, the tenant must cooperate with the re-certification process or forgo the potential for retaining their deed restricted rent. If the Landlord chooses to exercise the recertification option, there shall be an income certification charge to the landlord of \$800 for each annual recertification, payable to the Township's Administrative Agent, regardless of the ultimate findings for each income certification. Please note, recertification requests are optional, and at the Landlord's request, but no more than one recertification can occur during each annual leasing period.

Furthermore, as per N.J.A.C. 5:80-26.11(e):

- the municipal election to release the unit from the requirements of [this subchapter] is made pursuant to a municipal ordinance authorizing such elections with respect to units located either in areas specifically identified in the Housing Element of the municipal Master Plan or throughout the entire municipality; and
- The administrative agent shall, within 60 days of the municipal election shall [sic], execute a release, in the form set forth in Appendix F to this subchapter (https://www.nj.gov/dca/divisions/lps/hss/admin_files/uhac/f.doc), incorporated herein by reference, of all restriction instruments with respect to the unit(s). The owner of the restricted unit(s) is responsible for recording the release instruments and returning the recorded originals promptly to the administrative agent. Upon the expiration of the control period for a restricted rental unit established in this section, the owner of the unit shall be entitled to lease it to any tenant at the fair market rent.

Borough of Mountain Lakes Affordability Assistance Policies and Procedures Manual

Exhibit I – Affordable Accessory Apartment Ordinance

Exhibit II: Deed Restriction and Sample Agreement

This section is intentionally left blank. I will populate this section with the draft forms upon receiving final comments pertaining to the draft manual, to avoid additional edits.

Exhibit III: Sample Lease

To be provided prior to final submission

Exhibit IV: Sample 2020 Rents under various scenarios

To be provided prior to final submission

Income Level	Bedroom Size			
	Studio/ Efficiency	1-Bedroom	2-Bedroom	3-Bedroom*
Very Low	\$434 - \$554	\$436 - \$593	\$510 - \$712	\$572 - \$823
Low	\$803 - \$923	\$832 - \$989	\$985 - \$1,187	\$1,121 - \$1,372
Moderate	\$988 - \$1,108	\$1,030 - \$1,187	\$1,222 - \$1,424	\$1,395 - \$1,646

Utility Deduction Amounts

	HEAT	COOKING	ELECTRIC	HOT WATER	WATER/SEWER/TRASH	Total
STUDIO	\$47	\$10	\$33	\$12	\$0	\$102
1BR	\$64	\$12	\$43	\$16	\$0	\$135
2BR	\$77	\$17	\$57	\$21	\$0	\$172
3BR	\$96	\$21	\$71	\$26	\$0	\$214

Rent range includes the following assumptions:

- Unit type is "Single Family Detached" as per available HUD descriptions
- All heat, cooking appliances, and hot water heater are electric
- Water, Sewer and Trash expenses were covered by the landlord (typical in our experience)
- For the low end range, no other utilities were included in the rent by the landlord (i.e. heat, electricity, etc.)
- For the high end range, all other utilities were included in the rent by the landlord

PLEASE NOTE: The rental ranges provided are indicative and the final permitted rent may be higher or lower than the numbers presented above, due to a variety of factors.

* N.J.A.C. 5:97 3RD Round rules prohibit a municipal accessory apartment ordinance from restricting bedroom size for an accessory apartment – however it is noted that it is extremely unlikely that a 3-bedroom accessory apartment will be created.

Borough of Mountain Lakes

Affordable Housing Administrative Agent Policies & Procedures Manual

AUGUST 2020

Administration of Affordable Units



CGPH

Community Grants, Planning & Housing

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Borough of Mountain Lakes Administration of Affordable Units Operating Manual

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Executive Summary

This **Operating Manual**, prepared for Borough of Mountain Lakes hereafter referred to as “Municipality”, (1) sets forth the policies and procedures for placing eligible individuals and families into the Municipality’s affordable units and (2) provides instructions for working with developers, owners and landlords as new affordable units become available. This document is designed to ensure compliance with the State’s Uniform Housing Affordability Controls (“UHAC”) (N.J.A.C. 5:80-26.1 et seq.) and with the Municipality’s Affordable Housing Ordinance, its Affirmative Marketing Plan if applicable, and other local laws and requirements. In addition to being a valuable tool for the Municipality’s Administrative Agent and Municipal Housing Liaison as we implement Affordable Housing in the Municipality, it will also be a resource for other Affordable Housing professionals and interested members of the public to understand the intricacies of implementing a program such as this.

This manual details the tasks involved in the day-to-day administration of Affordable Housing units under the direct control and oversight of the Municipality. This document covers how new units are created and priced and how units are marketed to prospective applicants. Other information includes the following: waiting list and random selection procedures; required and permitted preferences; procedures for determining income eligibility; resale by income-eligible owners of affordable property to other eligible buyers; process for property managers to fill affordable rental vacancies; refinancing and mortgage modification procedures; waivers of program requirements. The administrative steps outlined in this manual are the thread that holds the fabric of the entire program together, setting out the fundamental obligations and responsibilities of the program administrators.

The **Glossary** at the end of this Operating Manual provides definitions of terms, abbreviations and acronyms used throughout the Operating Manual.

I. INTRODUCTION

The purpose of this manual is to describe the policies and procedures used to create Affordable Housing units in the Municipality and fill them with income-eligible families.

The policies outlined in this manual are derived from UHAC (N.J.A.C. 5:80-26.1 et seq.) This manual does not include all provisions of UHAC, and UHAC is a companion document to this manual. Instead, this manual highlights instances where additional guidance is provided by the New Jersey Department of Community Affairs' staff or by local ordinance. The manual also provides additional clarification and direction on items that are not in UHAC in order to ensure fairness to applicants, owners, and renters.

A. What is Affordable Housing?

Affordable Housing, unlike market-rate housing, has affordability controls establishing initial set prices and rents, and then controlling annual increases for many years. For example, new units that fall under these controls will be restricted for at least 30 years. The New Jersey Affordable Housing rules consider housing to be "affordable" if the household¹ expends approximately 28% or less of the household's gross income on housing costs. See footnote below and Glossary for definition of "Household." 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.

An Affordable Housing unit for the purposes of this manual can be specifically defined herein as "a housing unit proposed or created pursuant to the [Fair Housing] Act, credited pursuant to N.J.A.C. 5:97-4, and/or funded through an affordable trust fund." ("Affordable Unit").

The Affordable Units referenced in this manual are not the same as public housing units that are funded largely by governmental programs such as those administered by the U.S. Department of Housing and Urban Development ("HUD") programs and that are owned, operated and managed by a public housing authority ("PHA"). As defined by HUD, "public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing

¹ In accordance with US Department of Housing and Urban Development ("HUD") definitions and UHAC practice, "household" references the number of persons in the unit and not the size of the unit. See for example, HUD's definition of household as "[o]ne or more persons occupying a housing unit" -- in other words, the number of persons in the home. HUD website accessed June 13, 2016.

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/library/glossary/, HUD accessed June 13, 2016. See also, UHAC regulation N.J.A.C. 5:80-26.4, "In determining the initial rents and initial sales prices for compliance with the Affordability Average requirements for restricted units ... the following standards shall be used: 1. A studio shall be affordable to a one-person household." (Emphasis added).

comes in all sizes and types, from scattered single-family houses to high rise apartments for elderly families. There are approximately 1.2 million households [in the US] living in public housing units[.]”² Some municipalities create their own PHAs which operate and manage public housing within the municipality.

B. Who Qualifies for Affordable Housing?

To be eligible for Affordable Housing in New Jersey, a household’s income must be below the established income limit for the region in which the Affordable Housing is located. There are three eligibility levels: very low, low, and moderate. A moderate-income household is classified as earning less than 80 percent of the area median income. A low-income household is classified as earning less than 50 percent of area median income, and a very low-income household is classified as earning less than 30 percent of median income. See Glossary for definitions of “**Low- Income Household**” and “**Very Low-Income Household**”. There are different median incomes in each of the six Affordable Housing regions shown in Figure 1 below, with the Borough of Mountain Lakes located in Region 2. The income limits are adjusted annually.

Figure 1: Affordable Housing Regions

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

C. Equal Housing Opportunity

Title VIII of the Civil Rights Act of 1968 (the “**Fair Housing Act**”), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), and disability.

² http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph, US HUD Website, accessed June 7, 2016.

The New Jersey Law Against Discrimination (“**LAD**”) prohibits discrimination when selling or renting property. The law covers owners, agents, employees and brokers and makes it unlawful to refuse to rent, show or sell property based on a person's race, creed, color, national origin, nationality, ancestry, marital status, domestic partnership or civil union status, familial status, affectional or sexual orientation, gender identity or expression, sex, or mental and physical disability, including AIDS and HIV-related illness. In addition, the LAD prohibits discrimination in the housing context based on one's source of lawful income or rent subsidy.

II. CREATION OF NEW UNITS

This manual applies to UHAC eligible units whether for rent or for purchase, 100 percent affordable developments, market-to-affordable projects, gut-rehab projects, and other innovative Affordable Housing mechanisms. It does not apply to projects exempt from UHAC including low income housing tax credit projects and group homes. (See UHAC for a full list of exempt programs.)

A. Review Project Requirements

When a new project is planned, the administrative agent designated by the Municipality for the administration of Affordable Units (the “**Administrative Agent**”) will gather the information outlined in Figure 2. The first step is to review development approvals and/or developer agreements, the Housing Element and Fair Share Plan, and the municipal Affordable Housing Ordinance including its Affirmative Marketing Requirements if applicable.

B. New Purchase Units


1. Initial Pricing and Bedroom Distribution of Purchase Units

The Administrative Agent will determine the initial pricing stratification in compliance with UHAC³. The pricing calculation will take into consideration costs that exist at that time including such factors as the mortgage rate, tax rate, equalization ratio, condominium/homeowner association fee, and Private Mortgage Insurance (“**PMI**”). PMI must be included in the pricing calculation even if a new development will provide financing that will not require PMI. This will ensure that the price is affordable at future sales when PMI will be required. The maximum restricted sales price (“**MRSP**”) will be affected by mortgage interest rates when an affordable Unit is initially priced. At resale,

³ Under UHAC, the maximum sales price of restricted ownership units within each affordable development “shall be affordable to households earning no more than 70 percent of median income” (hereafter “**Maximum Restricted Sales Price**”).

the prevailing mortgage interest rate will be used to determine the affordability of that particular unit to the applicant household.

Figure 2: New Development Checklist



New Development Checklist

CONTACT INFORMATION

Development Name: _____
 Contact Person: _____ Email: _____
 Address: STREET _____ CITY _____ STATE _____ ZIP CODE _____
 Phone: [office] _____ [mobile] _____ [fax] _____

GENERAL INFORMATION

Funding Source of Units (to determine if exempt from UHAC): _____

Affordable Housing Requirements Stipulated: Circle either "Yes" or "No" and provide explanation

Development Approval &/or Developer's Agreement	Yes / No	
Fair Share Plan	Yes / No	
Local Ordinance	Yes / No	

Affordable Units Phasing Requirements: _____

Property Type (circle one): **RENTAL** or **SALE** Anticipated date first unit ready: _____

Location of Affordable Units in Project: _____

Number of **Market** Units: _____

Number of **Affordable** Units: _____

Is there a **Regional Preference**? _____

Are any units **Age Restricted** (55+)? _____

Requirements for **Deposit**: _____

Parking Details: _____

Income Distribution Requirements		Bedroom Requirements	
Very Low:		Studio/1br:	
Low:		2 Bedroom:	
Moderate:		3 Bedroom:	

OWNERSHIP ONLY

RENTAL ONLY

Tax Rate: _____ Equalization Rate: _____
 Condo/Homeowner Association Dues: _____
 Special Financing Provided by Developer? Yes No
If yes, explain: _____
 Policy on Upgrades: _____

Incorporation Documentation Provided:
 Master Deed
 Declaration of Covenants
 Other: _____

Utilities Included in Rent: (check all that apply)
 Water Electric Sewer Trash
(for the following utilities, if no, list type)
 Heat *type:* _____
 Cooking *type:* _____
 Hot Water *type:* _____

Application Fee: _____
 Mandatory Fees: _____
 Optional Fees: _____

Rental Very Low Income Requirement
 (13% of units at 30% AMI or 10% at 35% AMI)

Pets Policy:

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2. Upgrades from Builder

The builder may offer buyers of new Affordable Units the opportunity to purchase upgrades such as granite countertops or hardwood flooring at additional cost. If upgrades are offered, the following guidelines apply:

- a. These upgrades must be optional. The buyer must be able to choose NOT to purchase the upgrades and be able to buy the base home at or below the MRSP.
- b. The sale price of the home will be at or below the MRSP without the cost of the upgrades.
- c. All future sales will be based on the sale price without the upgrades. In other words, the buyer will not be able to recoup the cost of the upgrades at the next sale.
- d. The buyer cannot finance more than the MRSP. As a result, the buyer will not be able to finance the cost of the upgrades.

3. Deed Restriction

Affordable Units created under this program will be deed restricted as affordable for a period of at least 30 years and thereafter until the municipality takes action to release the affordability controls. All legal instruments to secure the affordability will be modeled after the applicable instruments published in the UHAC Appendices. When there is a Master Deed, one restrictive covenant will be filed for all Affordable Units but the affordability control period start date for each unit begins with the date that each particular unit is initially occupied. This should be filed in advance of the initial Affordable Housing closing for each project or unit.

A market-rate appraisal will be required to calculate the repayment amount on the affordable Recapture Mortgage Note. (This amount is the difference between the market appraisal and the affordable sale price and is due at the first non-exempt sale at the end of the control period.) The developer is responsible for providing the market rate appraisal. One appraisal can be used for similar unit types (all one bedrooms that are the same models, for example) if the appraisal is less than six months old. If the buyer's mortgage company completes a market-rate appraisal, that appraisal can be used instead. (See additional discussion in Section V.)

4. Earnest Money (Deposit) for Ownership Properties

The Affordable Housing rules do not specify a minimum or a maximum amount that a buyer must put down on a property when the Purchase Agreement and/or Contract of Sale is executed. However, while not required, a down payment is recommended because banks will almost never lend without a 5% minimum contribution.

C. New Rental Units

1. Initial Pricing and Bedroom Distribution of Rental Units

Rents will be set according to the pricing guidelines outlined in UHAC. In order to comply with 2008 amendments to the Fair Housing Act, 13 percent of all affordable rental units in a project will be priced at 30 percent of median income (N.J.S.A. 52:27D-329.1.) (This requirement is more stringent than the UHAC guidelines which stipulate that at least 10 percent of all

Affordable Units in the development be affordable to households earning no more than 35 percent of median.) In all cases, the more stringent of the two requirements will prevail.

2. Mandatory and Optional fees

If the landlord charges a *MANDATORY* fee for rental units such as an amenity fee or association fee, this fee will be subtracted from the permitted maximum rent. *At no time should the rent plus required fees exceed the maximum rent allowed.* (Utility allowances are factored into the initial pricing and are not considered mandatory or optional fee. See above.)

The developer may require that all renters purchase *rental insurance*. The rental insurance cost is not considered a mandatory fee and will not be included in the initial rental calculation or part of the minimum income calculation.

The landlord may charge optional fees to tenants. However, the landlord is not permitted to charge affordable tenants these fees and waive them for market units. *For example, if parking is included in the rent for market units, the landlord cannot charge affordable tenants for parking.* Example of optional fees include:

- Optional parking fee
- Optional amenity fee
- Optional pet fee
- Optional month-to-month fee

The Administrative Agent will review and approve all leases to determine that the rent plus required fees do not exceed the maximum rent allowed.

3. Deed Restriction

Affordable Units created under this program will be deed restricted as affordable for a period of at least 30 years and thereafter until the Township takes action to release the affordability controls. All legal instruments to secure the affordability will be modeled after the applicable instruments published in UHAC.

The rental deed restriction will list the income level designation as well as the bedroom size of each Affordable Unit. The units cannot be “swapped” during the control period. *For example, after the deed restriction is filed, the affordable designation of the unit cannot be changed from a Low-Income to a Moderate-Income unit.* Moreover, it is important to note that the prevailing regulations (UHAC) do not require annual recertification, and therefore while the unit remains as a Low/Moderate-Income unit during the term of the deed restriction, the income of the current tenant is no longer relevant following initial eligibility. The same rules relating to initial eligibility certification and no annual recertifications will continue to apply to each subsequent tenant throughout the duration of the deed restriction.

4. Application Fees

Affordable units are “private” market units (as opposed to public housing units) where rents are set (and deed restricted as to time) to be affordable to very low, low, and moderate income persons. Although deed restricted, the units still are under the “control” of the private

owner/landlord, with oversight by the Administrative Agent. Accordingly, other than the set rent and deed restriction requirement, the landlord may establish its own non-discriminatory legal criteria for tenant selection. Such tenant selection criteria must be the same in renting Affordable Units as for leasing market rate units. With respect to the landlord's tenant selection criteria, the Administrative Agent's responsibility is to ensure that (1) the criteria for the Affordable Units is consistent with the market-rate criteria, and (2) the application fee is deemed to be reasonable.

The landlord may choose to collect an application fee from households interested in applying for Affordable Housing. UHAC rules limit the application fee to 5 percent of the monthly rent of the applicable rental unit.

After the household passes the landlord's tenant selection criteria, the landlord *may* choose to collect an additional fee from the applicant to process the Affordable Housing application. Landlords may choose to implement this optional fee so only serious applicants move through the income certification process. If this optional fee is collected, the following rules apply:

- The fee cannot be higher than one month's rent.
- If the applicant is income-certified and rents the unit, the fee will be applied to the first month rent and/or down payment.
- If the applicant is income certified and they choose not to rent the unit, the landlord is not required to return the fee.
- If the applicant is determined to not be income eligible, the landlord must return the fee.

5. Security Deposit

Security deposits for Affordable Units are governed by New Jersey Landlord-Tenant regulations. The requirements are the same for Affordable Units as they are for market-rate units.

6. Tenant Selection Criteria

As explained in Section 4 above, the landlord is permitted to set tenant selection criteria and screen applicants on criteria such as credit score and criminal history, subject to approval by the Administrative Agent. All tenant selection criteria must comply with all New Jersey landlord tenant laws and the landlord is required to provide the Administrative Agent with a written copy of its tenant selection criteria. The tenant selection criteria must be applied uniformly to all applicants, and the landlord cannot impose stricter criteria on affordable tenants than market-rate tenants.

D. Project Monitoring

All new units will be added to the online New Jersey Council on Affordable Housing ("COAH") Tracking and Monitoring ("CTM") system after the initial sale or initial rental. (In the event, that the CTM system is discontinued or not accepting new monitoring information, all unit information will be compiled and maintained by the Administration Agent.)

III. Marketing of Units, Waiting List, and Matching Households to Available Units

The following section describes the steps that will be taken to identify very low, low, and moderate income families that may be interested in renting and purchasing Affordable Units created by the Municipality. All marketing initiatives must comply with the Affirmative Marketing rules established by UHAC, as presently set out in NJAC 5:80-26.15 and in accordance with any additional Affirmative Marketing Plan developed by the Municipality.

Development-specific Affirmative Marketing Plans would outline required marketing, including paid advertising that must be conducted before a random selection is completed. (See Random Selection and Waiting List Priority in Section B, below.)

While the waiting list is open, Affirmative Marketing will continue in the form of listing of units on NJHRC.gov, affordablehomesnewjersey.com, and/or quarterly mailings to community groups, major employers, and government agencies in the New Jersey Affordable Housing region where the Municipality is located. If the waiting list is ever closed because of the long length of the list, paid advertising as outlined in the Affirmative Marketing Plan will be required to reopen the waiting list.

A. Preliminary Application

All households that wish to be considered for Affordable Housing must submit a preliminary application. Households will be encouraged to submit their preliminary application online. For those applicants who do not have internet access, the Administrative Agent will work with interested applicants by phone and mail. The preliminary application will include questions about household income and its composition in order to determine preliminary eligibility. Please note that preliminary eligibility is based solely on self-reported information by the applicant and is in no way a guarantee of eligibility.

If the applicant indicates that their total household income is below the moderate income limit for their family size, they will be eligible for placement in the applicant pool. The Administrative Agent will also set a minimum income that is required to be added to the waiting list. (See *Minimum Income Requirements* in this Chapter.) Applicants will be required to provide written documentation of their income at the time of the full income certification as discussed in *Chapter IV*.

B. Random Selection and Waiting List Priority

For new projects and when random selection is utilized, the Administrative Agent will assign random numbers to each applicant through a computerized random number generator thereby creating a waiting list.

After the list of applications submitted during the initial lottery period is exhausted, the priority of preliminary applications is established by the date that the household submits their preliminary application ("**Interest Date**").

A separate waiting list will be kept for ownership versus rental units, resulting in a total of two waiting lists for the Municipality. Households waiting for age-restricted and family rental units will be part of the same waiting list. Likewise, households waiting for age-restricted and family ownership units will be part of the same waiting list. In filling an age-restricted property, households that do not meet the age requirements will be skipped.

When brand new Affordable Units become available for rent or sale in a new development, a lottery will be conducted UNLESS there are households on the existing waiting list with lottery numbers that have not been contacted. In these cases:

- Those applicants with lottery numbers will be contacted first.
- Households that submitted a preliminary application after the last lottery (and do not have lottery numbers) will be included in the next lottery if it is required to fill the units.
- Affirmative Marketing will be required before this lottery is held since these are new Affordable Units and the public must be made aware of the new Affordable Housing opportunity.

As an example, if a new housing opportunity arises that will create 150 new Affordable Units and the existing waiting list has only 50 applicants on it (who hold numbers 1 to 50), a new lottery will be held with Affirmative Marketing. If an additional 50 applications are submitted as a result of this marketing effort, then these “new” applications will be assigned numbers 51 to 100 on the waiting list.

The household with the highest lottery number (or oldest Interest Date) may not always be the next person contacted for a specific available unit because of factors impacting waiting list priority. In addition to age-restricted requirements already discussed, these factors include the number of persons in the household, household income level, households with a person with physical disabilities, veterans preference and regional preference as may be established in the Municipal Affordable Housing Ordinance. The Borough of Mountain Lakes has selected to use a regional preference and not to use a veterans preference, which appears in the Borough of Mountain Lakes' Affordable Housing Ordinance. Each of these six waiting list priority factors are further described in *Figure 3*.

C. Property Questionnaire

When an applicant becomes eligible to be offered an Affordable Unit, they will be asked to complete a Property Questionnaire. The Property Questionnaire will assess whether they continue to meet the income requirements and whether they remain interested in purchasing or renting a specific unit or unit type.

In order to match households to available units as quickly as possible, the Administrative Agent will choose whether to limit the outreach to the next group of applicants on the waiting list (private outreach) or outreach to all eligible households (public outreach), as discussed in the following section.

1. Private Outreach

When there is a long waiting list, the Administrative Agent will only outreach to a limited group of applicants who are next on the waiting list. This approach is typically taken with rental projects and new ownership units.

The Administrative Agent will invite approximately five to 10 households that meet the eligibility requirements to complete a Property Questionnaire for each available unit. Waiting list priority will be established by the factors outlined in *Figure 3*.

Households will have 24 hours to request to visit the unit at some future, mutually agreed upon time. If they request to visit, they will then be prompted to update a simple Property Questionnaire. If they do not want to pursue the unit or even if they do not respond at all, they will **not** be removed from the waiting list and will be notified of the next available vacancy.

The interested household will be referred to the landlord/developer to view the unit(s) and pay the application fee, if required. New ownership developments may require a mortgage preapproval be submitted prior to viewing the home. If more than one household qualifies and is interested, the household with the highest priority (lottery number or Interest Date) will be offered the unit.

Figure 3: Additional Factors Impacting Waiting List Priority

1. Age-Restricted	Only households that meet the age-restricted requirements will be offered age-restricted units. <u>See Glossary</u> for definition of “ Age-Restricted Units. ”
2. Regional Preference	Municipalities may choose to give preference to households that live or work in the local Affordable Housing region. Mountain Lakes has elected to give preference to households that live or work in the local Affordable Housing region, such regional preference shall be established by ordinance. In such instance, applicants who indicate that they live or work in the Affordable Housing region will be contacted before those outside the region. Once those applicants are exhausted, applicants outside the region will be contacted. <u>See Glossary</u> for definition of “ Regional Preference. ”
3. Household Size (Number of Members)	Whenever possible, there will be at least one person for each bedroom. If the waiting list is exhausted and there are no households with a person for each bedroom, units will be offered to smaller sized households that do not have a person for each bedroom. An applicant household cannot be required to take an Affordable Unit with a greater number of bedrooms as long as overcrowding is not a factor. (A maximum of two people are permitted per bedroom.) A household can be eligible for more than one unit category.
4. Maximum Income Limit and Minimum Income	Only households that are under the income limit of the Affordable Unit AND meet the minimum income requirements will qualify to apply for the next Affordable Unit. <u>See Figure 5</u> for a full discussion of minimum income requirements.
5. Fully Accessible Units	A household with a person with physical disabilities will get preference on the waiting list for accessible units because of the very limited number of handicapped accessible units. Applicants must provide a letter from their doctor stating what kind of accommodation they require as a result of their disability.
6. Veterans Preference	The Municipality and developer may enter into an agreement to provide preference to very low, low, and moderate income veterans who served in time of war or other emergency, as defined in section 1 of P.L.1963, c. 171 (C.54:4-8.10), of up to 50 percent of the affordable units in that particular project. If applicable, veterans who apply within 90 days of the initial marketing period shall receive preference for the rental of the agreed-upon percentage of affordable units. After the first 90 days of the initial 120-day marketing period, if any of those units subject to the preference remain available, then applicants from the general public shall be considered for occupancy. <u>See Glossary</u> for definition of “ Veterans Preference. ”

2. Public Outreach

The Administrative Agent will contact all eligible households for a specific unit when the waiting list is short or when there are several properties available. Public outreach is typically conducted for the resale of existing units. It allows the Administrative Agent to move through the waiting list as quickly as possible.

When the Administrative Agent is notified of a pending rental vacancy or the intent of the owner of a single-family unit to sell, the Administrative Agent then will set a deadline by which all applicants that have indicated an interest in this development or in the Municipality must return a Property Questionnaire. Waiting list priority will be established by the factors outlined in *Figure 3*. Interested households will be provided the contact information of the owner/seller to be provided an opportunity to view the home. If more than one household qualifies and is interested, the household with the highest priority number will be offered the unit first.

If the unit is still available after this initial outreach, the Administrative Agent will contact households not previously contacted in the first outreach such as smaller-sized households and out-of-region households (if applicable.) If the home still does not have a buyer, the Administrative Agent will open the listing up to all household sizes.

Households will not be removed from the waiting list if they do not choose to purchase a unit they are offered during public outreach.

D. Determining Preliminary Eligibility

The Administrative Agent will review the Property Questionnaire to determine whether the applicant meets or continues to meet the requirements to rent or purchase the unit. All information will be verified during the full application process. The following sections describe the factors that will be reviewed to determine preliminary eligibility as well as final eligibility during the full income certification process.

1. Regional Preference

Should a municipality determine that households that live or work within the Municipality's Affordable Housing Region are to be given Regional Preference in being contacted, such Regional Preference shall be set out in the municipality's Affordable Housing Ordinance. Upon the adoption of such an ordinance, the Administrative Agent will confirm that the household either lives or works within the region. If they no longer live or work within the region, they will remain on the waiting list for consideration after all in-region applicants have been considered. The Borough of Mountain Lakes does have a regional preference.

2. Determining Household Composition

The household is composed of all permanent members of the household, and the composition will determine both the size of the unit needed by the household and the maximum income limit of that household. Some household members may be considered in the bedroom calculation who are not counted in the maximum income calculation as show in *Figure 4*. If applicant's divorce decree states that both parents share legal and residential custody but the former spouse has primary custody for school purposes, the child may be included in the applicant's household when determining household size during the income certification process.

Figure 4: Determining Household Size (Number of Members)

	Maximum Household Income Limit	Bedroom Size Calculation
Foster Children	Do not count in household (do not include foster care income either)	Count
Live in Health Aid or Nanny (<i>This must be a paid position and proof of contract with caregiver is required</i>)	Do not count (Must provide proof that person is hired)	Count
Child Whose Primary Residence is Not the Applicant Household	Do not count unless custody is 50/50 (see narrative)	Count
Unborn Child	Count (Cannot ask for documentation because of privacy)	Count
Child Being adopted	Count	Count
Full time college student not living at home (<i>Full time student is a member of the household reported to the IRS as a dependent who is enrolled in a degree seeking program for 12 or more credit hours per semester</i>)	Count (Do not count any part time income earned where part time is any income earned on less than a 35 hour work week)	Count

3. Maximum Income Limits

The Administrative Agent will confirm that the household's income reported on the Property Questionnaire falls under state mandated maximum income limit for the unit for which they are applying. Maximum income limits are provided annually by the State for each of the six Affordable Housing regions. See Appendix A for updated maximum income limits.

4. Minimum Income Requirements

Unlike maximum income limits, the State does not set minimum income limits. Instead, the State provides different income-to-housing expense ratios for rental and purchase units and different standards for age-restricted homes. The purpose of these ratios is to provide guidelines so applicants will be able to sustain their monthly housing expenses in the Affordable Units.

Evaluating minimum income requirements is complicated because the permitted ratio of monthly income that can be spent on housing expenses varies for different unit types and waivers are permitted. *Figure 5* details the minimum income ratios that will be utilized at each stage of the outreach process as well as during the full income certification. Since waivers from

UHAC are allowed (see below), outreach is extended to households that do not quite meet the minimum income requirements. *For example, UHAC stipulates that households must not pay more than 33 percent of their monthly income for housing expenses if they are purchasing a home unless they meet a waiver requirement. When a specific home is for sale, outreach is expanded to all households whose housing expenses are under 35 percent instead of 33 percent. At the time of income certification, the exact percentage and whether they meet a waiver requirement is confirmed.*

Precise waiver requirement standards are not stipulated in UHAC, and *Figure 5* provides guidance when evaluating waiver requests. The State permits the Administrative Agent to give waivers to households to purchase a unit when their existing monthly housing expenses exceed 33 percent of their monthly income under the following conditions:

- The household can provide evidence that they have completed a HUD-certified home budgeting course; and
- The household obtains a firm mortgage loan commitment at the higher housing expense percentage of income level from a licensed financial institution.

Likewise, rental waivers may be given under the circumstances described below, and the household must receive a budgeting counseling class.

- The household can document that the housing expense of the Affordable Unit is less than the housing expenses of their current housing; or
- The household currently pays more in rent and the proposed rent will reduce the household's housing costs; or
- The household has consistently paid more than 35 percent (40 percent for households eligible for Age-Restricted Units) of eligible monthly income for rent in the past and has proven its ability to pay; or
- The household is currently in substandard or overcrowded living conditions;
- The household documents the existence of assets, with which the household proposes to supplement the rent payments; or
- The household documents proposed third party assistance from an outside source such as a family member in a form acceptable to the Administrative Agent and the Owner of the unit. (This includes applicants with a Section 8 Voucher.)

When reviewing a waiver request, the Administrative Agent may take into consideration whether the applicant is receiving other assistance such as SNAP Benefits (Food Stamps).

5. Minimum Down Payment (Ownership Only)

For all purchase units, the Administrative Agent will review how much the applicant self-reports as having available for a down payment. If the down payment is less than 5% of the purchase price, the applicant will be advised that they may not be able to obtain a mortgage to purchase the home because most banks require at least a 5% down payment.

6. Regional Asset Limit

If an applicant owns a home without a mortgage, the value of the home must be less than the Regional Asset Limit set by the State annually. See Appendix A for updated regional asset limit. An appraisal or listing with real estate agent is required to verify value.

This Regional Asset Limit test does not apply to:

- Properties with a mortgage even if the applicant's equity exceeds the asset limit;
- Cash or other assets; and
- Applicants whose property taxes and fees on the property are more than 38 percent of the household's income.

Figure 5: Minimum Income Calculations ¹

RENTALS		
<i>Monthly Housing Expense Calculation is rent + utilities not included in rent – monthly rental Assistance (if accepted by landlord)</i>		
	Family Units	Age-Restricted Units
To Submit Preliminary Application	Any household with income over \$8,000/year	Any household with income over \$8,000/year
To Be Invited To Submit Property Questionnaire	37% of income toward housing expenses 45% of income toward housing expenses with rental waiver ²	42% of income toward housing expenses 45% of income toward housing expenses with rental waiver ²
To Be Invited To Submit Full Application	37% of income toward housing expenses 45% of income toward housing expenses with rental waiver ²	42% of income toward housing expenses 45% of income toward housing expenses with rental waiver ²
To Be Income Certified To Rent Unit	35% of income toward housing expenses 45% of income toward housing expenses with rental waiver ² If applicant meets minimum income requirement with rent only, case manager will review utility allowance ³	40% of income toward housing expenses 45% of income toward housing expenses with rental waiver ² If applicant meets minimum income requirement with rent only, case manager will review utility allowance ³
UHAC Requirement (Without Waiver)	35% of income toward Housing Expenses	40% of income toward housing expenses
OWNERSHIP		
<i>Monthly Housing Expense Calculation is monthly mortgage cost +HOA fee + property tax + insurance</i>		
	Family and Age-Restricted Units	
To Submit Preliminary Application	Any household with income over \$8,000/year . No minimum down payment required.	
To Be Invited To Submit Property Questionnaire	35% of income toward housing expenses No minimum down payment required	
To Be Invited To Submit Full Application	35% of income toward housing expenses 5% minimum down payment required (no loans or grants)	
To Be Income Certified To Purchase Unit	33% of income toward housing expenses 35% of income toward housing expenses with ownership waiver ²	
UHAC Requirement (Without Waiver)	33% of income toward housing expenses	
¹ Minimum income and percentages may be adjusted as needed to administer the program. Minimum income should not restrict eligible applicants and is designed to prevent applicants who do not have enough income from being added to the waiting list. All minimum income requirements will be clearly posted on the Administrative Agent's website. ² Rental and Purchase waiver requirements are explained in the <i>Minimum Income</i> Section of this Chapter (see Section 4). ³ The utility allowance review will determine whether the applicant will be able to afford the monthly expenses. This is sometimes required because the new utility allowance greatly exceeds the original utility pricing or their household's actual utility costs may be less because of energy improvements.		

7. Minimum Credit Score

For all purchase units, the Administrative Agent will review the self-reported credit score of the applicants when determining preliminary eligibility. The Administrative Agent will determine the minimum determined credit score (such as 600) based on the current credit requirements of banks, and the same standard will be applied to all applicants.

There will be no minimum credit score for applicants paying cash for their homes since they do not need to qualify for a mortgage.

Applicants for rental units will be advised of the minimum credit score required by the landlord. As stated above, Affordable Units are “private” market units where rents are set, and while deed restricted as to time, they are still under the “control” of the private owner/landlord, with oversight by the Administrative Agent. Accordingly, other than the set rent and deed restriction requirement, the landlord may establish its own non-discriminatory legal criteria for tenant selection. Such tenant selection criteria must be the same as (and not more stringent than) the selection criteria for leasing market rate units.

8. Separated Applicants

Separated applicants who have not finalized their divorce settlement agreement cannot purchase an affordable home until the spouse signs a form stating that they are releasing any claim right or interest in the affordable home being purchased. If the spouse refuses to sign the release, the applicant can request a judge to require the spouse to sign the form.

In order to calculate the household income of separated applicants at the time of the full income certification for both rental and sale properties, the applicant will need to provide a settlement agreement, divorce decree, or a division of assets signed by both parties.

E. Annual Updates

In order to keep the waiting list current, households will be asked to update their contact and other qualifying information on the waiting list annually. Households that do not update their information will be removed from the waiting list.

F. Full Application

Households will be invited to submit a full application to purchase or rent an affordable unit in order for the Administrative Agent to determine the income eligibility of the household. Applicants will have seven (7) days to submit the income application and seven (7) day extensions are permitted for a total of two weeks (14 days). Once the full application is received, the Administrative Agent will complete a determination of the household’s eligibility within seven days.

G. Removal from the Waiting List

Applicants on the waiting list for Affordable Housing can be removed from the list for any of the following reasons:

1. The applicant's income exceeds the income guidelines;
2. The applicant does not have the minimum income to purchase or rent any units in the portfolio;
3. The applicant owns an asset that exceeds the Regional Asset limit;
4. The applicant requests to be removed;
5. The applicant submits fraudulent information during the income certification process;
6. The applicant fails to submit the complete application on time (this includes failure to provide documentation needed to verify income and other required documents);
7. The applicant fails to respond to an inquiry in a timely manner;
8. The applicant does not cooperate or is abusive with staff, property managers, or the sellers of Affordable Units;
9. The applicant does not meet the credit requirements or other tenant selection criteria required by the landlord;
10. The applicant is unable to secure a mortgage;
11. The applicant does not attend a budgeting/home buyer counseling class if such is required (e.g., for a waiver);
12. The applicant does not respond to requests to purchase or rent a unit;
13. The applicant does not submit an annual update; or
14. The applicant has been approved to rent or purchase a unit in the Municipality.

Applicants who are removed from the waiting list may reapply. If approved to rent or purchase a unit in the Municipality, they may reapply for other opportunities in the Municipality.

H. Income Certified Applicants on the Waiting List

Under certain circumstances, an applicant may be fully income certified but they do not proceed with the purchase or renting of the unit. In this case, the applicant will resume their original position on the waiting list. They will be contacted in the same priority outlined in this Chapter. In other words, being fully income certified will not result in any priority on the waiting list over other applicants. If the applicant does not sign a contract or lease within six months of the income certifications, the certification will expire.

IV. Determining Income Eligibility

To be eligible for consideration for an Affordable Unit, a household must be determined to be income eligible. This income eligibility is modeled after the US Department of Housing and Urban Development's process known as Part 5. This system for determining eligibility is to sum the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

A. What is Considered Income

Figures 6 and 7 detail what sources of income are included in the income calculation and what sources of income are excluded as a source of income.

Figure 6: Income Sources Counted in Income Eligibility

Sources Considered Income	Description of Income Source
1. Income from wages, salaries, tips, etc.	The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips, and bonuses and other compensation for personal services.
2. Business Income	The net income from the operation of a business or profession.
3. Interest & Dividend Income	Interest, dividends, and other net income of any kind from real or personal property. Assets not earning a verifiable income shall have an annual imputed interest income using a current, average annual savings interest rate. (Use average daily balance of bank accounts for the calculations).
4. Retirement & Insurance Income	The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in #14 of Income Exclusions).
5. Unemployment & Disability Income	Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay (except as provided in #3 of Income Exclusions).
6. Welfare Assistance	Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program.
7. Alimony, Child Support, & Gift Income	Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling. (Child support is not counted as income if it is not being paid even though there is a court order.)
8. Armed Forces Income	All regular pay, special day and allowances of a member of the Armed Forces (except Armed Forces Hostile Fire Pay as stipulated in the Sources Not Considered Income Exclusions).
9. Rental Income From Real Estate	Rental income from real estate. Only the mortgage interest payment, insurance, taxes, and management expenses can be a deductible expense. (Mortgage principal payments cannot be deducted.) If the applicant owns real estate and does not receive rental income, the Administrative Agent may determine the fair market rent of the property to determine the potential rental income for the purposes of the application. If actual rent is less than fair market rent, the Administrative Agent shall impute a fair market rent unless rent control applies.
10. Imputed Interest from non-income producing assets such as real estate	Imputed interest is calculated on the equity of the asset. This applies to the equity of all non-income producing assets.
11. Property or Money Given Away in last 2 yrs	A percentage of the value of such assets based on the current passbook savings rate, as determined by HUD. Value of property will be based on tax assessment records using the following ratio: (land + improvements) / equalization ratio.

Only child support and alimony paid to another household by the applicant can be deducted from a household's income. Court ordered payments which are paid for alimony or child support to another household, whether or not it is being paid regularly, shall be excluded from income for purposes of determining income eligibility.

Figure 7: Income Sources NOT Counted in Income Eligibility (Per HUD Regulations)

Sources Not Considered Income	Description of Income Exclusions
1. Income of Children	Income from employment of children (including foster children) under 18 years.
2. Foster Care Payments	Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).
3. Inheritance and Insurance Income	Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property.
4. Medical Expense Reimbursements	Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of Live-in Aides	Income of a live-in aide (as defined in 24 CFR 5.403).
6. Disabled Persons	Certain increases in income of a disabled member of qualified families residing in HUD funded HOME-assisted housing or receiving HOME tenant-based rental assistance (24 CFR 5.671(a)). ⁴
7. Student Financial Aid	The full amount of student financial assistance paid directly to the student or to the educational institution.
8. Armed Forces Hostile Fire Pay	The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
9. Self-Sufficiency Program Income	<ul style="list-style-type: none"> • Amounts received under training programs funded by HUD. • Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS). • Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program. • Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for a public housing authority ("PHA") or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the

⁴ The HUD funded HOME Investment Partnerships Program ("HOME") provides formula grants to States and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating Affordable Housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create Affordable Housing for Low-Income Households.

Sources Not Considered Income	Description of Income Exclusions
	<p>same period of time.</p> <ul style="list-style-type: none"> Incremental earnings and benefits inuring to any family member from participation in qualifying state or local employment training programs (including training not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and any such amounts are excluded only for the period during which the family member participates in the employment training program.
10. Gifts	Temporary, nonrecurring, or sporadic income (including gifts).
11. Reparations	Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.
12. Income from Full-time Students	Part time income of non-head of household persons enrolled as full time student. HOWEVER, all income from the head of household will be included even if he/she is a full time student.
13. Adoption Assistance Payments	Adoption assistance payments in excess of \$480 per adopted child.
14. Social Security & SSI Income	Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts.
15. Property Tax Refunds	Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
16. Home Care Assistance	Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
17. Other Federal Exclusions	<p>Amounts specifically excluded by any other federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions of 24 CFR 5.609(c) apply, including:</p> <ul style="list-style-type: none"> The value of the allotment made under the Food Stamp Act of 1977; Payments received under the Domestic Volunteer Service Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, senior companions); Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program; Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the Federal work study program or under the Bureau of Indian Affairs student assistance programs; Payments received from programs funded under Title V of the Older Americans Act of 1985 (Green Thumb, Senior Aides, Older American Community Service Employment Program); Earned income tax credit refund payments received, including advanced earned income credit payments; The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990; Payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs and career intern programs, AmeriCorps); Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990; Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a

Sources Not Considered Income	Description of Income Exclusions
	crime against the applicant under the Victims of Crime Act; and <ul style="list-style-type: none"> • Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.
18. Rental Assistance / Gifts For Housing Expenses	Sporadic or reoccurring gifts for housing expenses from family, friends, or community groups.
19. Repayment of Loan	Sporadic or reoccurring payments that are repayment of a loan from to the household.

B. Proof of Income and Other Supporting Documents

Extensive supporting documents are required to document the household's income and other qualifying criteria. The full list of required supporting documentation is provided in *Figure 8*.

During the course of the income certification, applicants may be required to submit additional documentation to establish the household composition and income. While it is impossible to list all examples of additional documentation, some examples of additional documentation are described below. The Administrative Agent may require that documentation is notarized.

- Private mortgage documentation (bank statement of party lending the money, letter with terms of private mortgage);
- Proof of gift for down payment (bank statement of party gifting the money, letter with terms of private mortgage);
- Proof of rental assistance from family, friend, or community group;
- Death Certificate of spouse when applicant is a recent widow or widower;
- Notarized letter from employer explaining overtime that will be offered to employee;
- Itemized explanation of deposits in bank accounts;
- If there are other household members that appear to be living in the household now but are not part of the household as it was when applying for housing, the applicant will have to provide a notarized letter explaining the current and existing household composition;
- If there is someone listed on the applicant's bank statement that is not included in their household applying for Affordable Housing, the applicant will be required to show proof that the person does not reside with the applicant; and

Notarized letter regarding withdrawal from 401K accounts or pensions (For example, if funds were withdrawn last year, will the applicant be making a withdrawal this year?)

Figure 8: Required Supporting Documents

Identification
<input type="checkbox"/> Personal photo identification: Driver's License, passport, or State ID
Income Related Documents – Provide All That Apply
<input type="checkbox"/> Employment Income: 4 most recent consecutive pay stubs for all employed household members
<input type="checkbox"/> Social Security: Most recent award letter
<input type="checkbox"/> Temporary Assistance for Needy Families (TANF): Voucher or other verification
<input type="checkbox"/> Pension: Letter from pension fund setting forth outlays and benefits received
<input type="checkbox"/> Child Support: Current statement from NJ child support website, court order or notarized letter re: child support status
<input type="checkbox"/> Alimony: Current statement from NJ website or notarized letter regarding alimony support status
<input type="checkbox"/> Military Pay: Verification of military pay
<input type="checkbox"/> Workers' Compensation: Statement showing benefits
<input type="checkbox"/> Unemployment Benefits: Statement showing benefits
<input type="checkbox"/> Self Employed or Own Business: Year to date profit & loss statement (not required if submitting K-1 with taxes)
<input type="checkbox"/> 1099 for Independent Contractors (Profit and loss statements are not permitted)
Bank Statements & Other Accounts (Including JOINT ACCOUNTS)
<input type="checkbox"/> Checking Account: All pages of statements for the last 6 consecutive months
<input type="checkbox"/> Savings Account Statements Including CD's: All pages of statements for the last 6 consecutive months
<input type="checkbox"/> Other Account Statements: Most recent statement for other assets such as retirement accounts, 401k's, stocks, bonds, & trusts
Tax Returns
<input type="checkbox"/> Federal Tax Return: All pages of 1040 Federal Tax Return for the past 3 consecutive years (copies of signed returns to validate the copy)
<input type="checkbox"/> State Tax Return: All pages for the past 3 consecutive years
<input type="checkbox"/> Notarized tax waiver letter if unable to provide taxes
If Applicant Owns A Home, Condo, And/ Or Rental Property, The Following Is Required
<input type="checkbox"/> Current mortgage statement
<input type="checkbox"/> Investment property lease agreement (if applicable)
<input type="checkbox"/> Current year tax assessment record
<input type="checkbox"/> Real estate listing if this property is for sale
<input type="checkbox"/> Contract with the realtor listing property if property is for sale
<input type="checkbox"/> Foreclosure notice (LIS PENDENS, etc.) if the property is in foreclosure
Other
<input type="checkbox"/> Divorce Decree: All pages of divorce decree & settlement agreement
<input type="checkbox"/> Full Time Student Over 18: School schedule to document full time status
<input type="checkbox"/> Section 8: Voucher (RENTAL ONLY)
<input type="checkbox"/> Mortgage Preapproval (OWNERSHIP ONLY)

C. Final Eligibility Determinations

After the household's annual income and composition is determined and verified, the Administrative Agent will make the final eligibility determination. Requirements related to household composition, Regional Asset Limit, down payments, etc. outlined in *Chapter III* will also be verified.

Households determined to be eligible will receive an eligibility letter notifying them of their eligibility determination, in writing. When a household is determined ineligible, an internal peer review of the income certification will be completed by the Administrative Agent. If the peer review confirms the ineligibility determination, the household will be notified in writing

and advised that it may submit additional proof and request that the decision be reconsidered by the Administrative Agent. Such request for reconsideration shall be made by the applicant within five (5) business days of receipt of notice of denial of ineligibility. If an applicant for affordable housing is again determined to be ineligible by the Administrative Agent, then the Municipal Housing Liaison (see Chapter 7) will attempt to mediate the decision or policy to the satisfaction of all parties. Any situation that the Municipal Housing Liaison is unable to resolve will be forwarded to the New Jersey Mortgage and Finance Agency (“**Agency**”) (or its successor) for further appeal and review. The determination of the Agency (or its successor) shall be a final administrative action (i.e., decision) subject to review of the courts.

D. Misrepresentation of Information in Application

When the applicant submits their full application, the applicant certifies that all information provided in the application is complete and true as to the entire household. If the applicant makes false statements or provides fraudulent documentation, the applicant will be determined ineligible immediately. They may reapply for Affordable Housing but they will lose their position on the waiting list.

E. Changes to Income and/or Household Composition after Submittal

Prior to the certification process and a determination of eligibility, a household may supplement its application. Once the full application has been submitted with the applicant certifying that all information is complete and true, the applicant enters the Eligibility Period. During this one to two-week timeframe during which the household’s eligibility is being reviewed, the applicant is not permitted to change the employment status of any household member in order to become eligible for Affordable Housing nor change the household composition from what is listed on the application. *For example, the applicant cannot add a member to their household, subtract a member, quit a job, or get a new job, or a raise during the Eligibility Period.* See [Glossary](#) for definition of “**Eligibility Period**”. If the applicant does make changes during this Eligibility Period, the household will be determined ineligible and lose their position on the waiting list. However, the applicant may reapply with their new income and/or household composition and will be assigned a new position on the waiting list.

V. Ownership Program

At each purchase, Affordable Housing documents are executed that restrict units as Affordable Units. The process of finding a buyer is explained in depth in *Chapter III*. In addition, the buyer must be income certified as outlined in *Chapter IV* and information about establishing new ownership projects is also included in *Chapter II*.

The following outlines the process of selling and purchasing an affordable home.

A. Selling an Affordable Home

1. Request an Intent to Sell Package

When an owner wants to sell its affordable home, the first step is to request an Intent-To-Sell package. The owner, as “**Seller**”, cannot start the process of selling its home until it makes this request and receives the package from the Administrative Agent.

2. Calculate the MRSP (Maximum Restricted Sales Price)

The Administrative Agent will calculate the MRSP of the affordable home based on the last sale price and the last sale date. The annual increase issued by the State of New Jersey is applied for each year the owner has owned the home. See Appendix A for updated maximum restricted sales price annual increase. However, there is no increase if the owner has owned the home for less than a year. *For example, if an owner purchased an affordable home in March 2015 and requested to sell the home in January 2016, the MRSP is the price the owner paid for the home.*

In addition, if the owner requests to sell their home and the state has not released the annual increase for that year yet, no annual increase for the current year will be applied. *For example, if an owner requests to sell their home in February 2015, and the 2015 increase has not been released, the MRSP will not include an increase for 2015.*

The Administrative Agent will prepare the Intent to Sell Package and send it to the Seller. This package will include:

- Form for the owner to sign and return, formally requesting to sell home;
- The MRSP of the unit;
- An overview of the process of selling an affordable home in this program;
- Blank Purchase Agreement;
- Summary of fees charged by the Administrative Agent/Municipality related to selling of the affordable home;
- Request for digital photographs to be utilized in the marketing of the home; and
- Request for additional information about the home to be utilized in marketing the home such as recent renovations and unit amenities.

3. Start Affirmative Marketing Process

When the Administrative Agent receives the signed Intent to Sell Form back, it will begin the process of looking for a buyer for the unit. This process is outlined in *Chapter III* of this manual. The Administrative Agent will refer interested buyers directly to the Seller. The Seller

will be responsible for showing the home to interested buyers. These buyers will be pre-screened by the Administrative Agent. However, since they will not be income certified, the Seller CANNOT enter into a contract with the buyer until the buyer is income certified by the Administrative Agent. When a household decides to purchase the affordable home, the buyer will be sent a full income certification application. (See the *Purchase Agreements and Contracts* later in this Chapter.)

B. Buying an Affordable Home

1. Preliminary Application and Prescreen

In order to be considered to purchase an affordable home, interested buyers must submit a preliminary application. The process outlined in *Chapter III* will be followed even if the Seller has found a buyer interested in purchasing the property. The unit must be affirmatively marketed to other eligible households on the waiting list first.

2. Income Certification

When a household would like to purchase the home, it will notify the Administrative Agent, and if it is next on the waiting list, it will be invited to submit a full application. The income certification process is described in detail in *Chapter IV*. A mortgage pre-approval must be submitted with the application as well as proof that the buyer has the recommended minimum down payment if required by the bank or provided at buyer's option. Buyers will be advised that they will also be responsible for closing costs, but they will not be required to show proof of funds at the time of the income certification. Closing costs cannot be added to their mortgage principal because the buyer can only finance 95 percent of the MRSP of the home.

3. Mortgage Provider

The Administrative Agent will provide prospective buyers with a list of mortgage companies that have financed deed restricted Affordable Units recently. If the prospective buyer chooses to utilize a different lender, the Administrative Agent will provide the lender copies of the Affordable Housing documents for their review after the buyer is income certified.

A buyer may borrow money to purchase the home from a friend or family member (sometimes referred to as a "*Private Mortgage*".) To proceed with the application, the Administrative Agent will require proof that the lending party has the funds (bank statement of the party who is lending the money, for example) and a notarized letter signed by both parties with the terms of the loan (monthly payment, interest, etc.). If the money is a gift, this should be noted in the letter. The lending party in a Private Mortgage situation MAY NOT be on the deed to the Affordable Unit.

4. Down Payment

In order to encourage homeowner investment and a sense of direct involvement in the homeownership process, it is strongly recommended that the buyer provide 5 percent of the purchase price as down payment. In addition, as a practical matter, applicants are highly unlikely to receive a mortgage without at least a 5% down payment. The funds may be provided

as a gift (e.g., from a family member or friend) if the funds do not have to be repaid, and proof of the gift must be provided at the time of income certification (see above).

Some municipalities offer a down payment assistance grant program. In such cases, the minimum down payment requirement is governed by specific program requirements. The Administrative Agent will maintain a list of down payment assistance programs that may become available and provide program information to buyers.

5. Separated Spouses

Separated applicants who have not finalized their divorce settlement agreement cannot purchase an affordable home until the spouse signs a form stating that they are releasing any claim right or interest in the affordable home being purchased. If the spouse refuses to sign the release, the applicant can request a judge to require the spouse to sign the form.

6. Cosigners on Deeds and/or Mortgages Are Not Permitted

If a buyer for Affordable Housing cannot obtain a mortgage, a family member or friend CANNOT obtain a mortgage and allow the affordable buyer to reside in the home. Anyone on the deed and/or mortgage is considered part of the buyer's household and must be included in the income certification and must reside in the home as its primary residence.

However, not all household members are required to be on the mortgage and/or deed. *For example, if a household is composed of the buyer and its roommate, both the buyer and the roommate will be included in the income certification. The roommate is not required to be on the deed or the mortgage.*

C. Purchase Agreement and Contracts For Sale

As the buyer and seller enter into negotiations, the purchase agreement is an "internal", not legally binding, COAH generated document between them to establish and ensure that the unit will be affordable to the buyer. It stipulates such terms as the MRSP of the unit, the agreed upon purchase price, the amount of good faith deposit, and the items to be included in the sale price of the unit ("**Purchase Agreement**"). All these terms are then set out in the contract for sale. Typically, the Purchase Agreement is signed after the buyer has been income certified, however under certain circumstances the Purchase Agreement may be amended and signed after the income certification process (see Section 4 below).

The contract for sale is a legal contract between the buyer and seller, finalizing the negotiations between buyer and seller and setting out all material terms of the transaction ("**Contract for Sale**"). The Contract for Sale can only be executed after the household is income certified.

Copies of both the Purchase Agreement and Contract for Sale should be sent to the Administrative Agent immediately upon execution.

1. MRSP and "Extras"

The Purchase Agreement includes a section for the Seller to list items that may be sold separately at a price agreed upon by the buyer and seller. The price to be paid for items of personal property shall not be used as a mechanism to avoid or circumvent the limitations on

the resale price of the unit itself. The personal property for sale cannot become a contingency of the house sale. If this separate transaction occurs, it cannot be incorporated into the Mortgage or Contract of Sale.

These “extras” do not include items of property that are permanently affixed to the unit such as countertops and flooring or were part of the original sale. These permanently affixed items are to be included in the MRSP and no additional compensation is permitted to the owner. As stated in UHAC, N.J.A.C. 5:80-26.9: “Upon the resale of a restricted 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.”

2. Accepting and Rejecting Offers

The Seller of the home must accept offers from the next buyer on the waiting list whose income is certified and who offers to purchase the home for the MRSP. The Seller cannot reject an offer at the MRSP from the first eligible person on the waiting list for any reason such as the buyer not making a cash purchase. In the contract, the Seller can include a requirement that the buyer be able to close in a reasonable amount of time, such as two months.

Buyers may make offers at less than the MRSP. The seller may choose to accept such an offer but is not required to accept such lower offers.

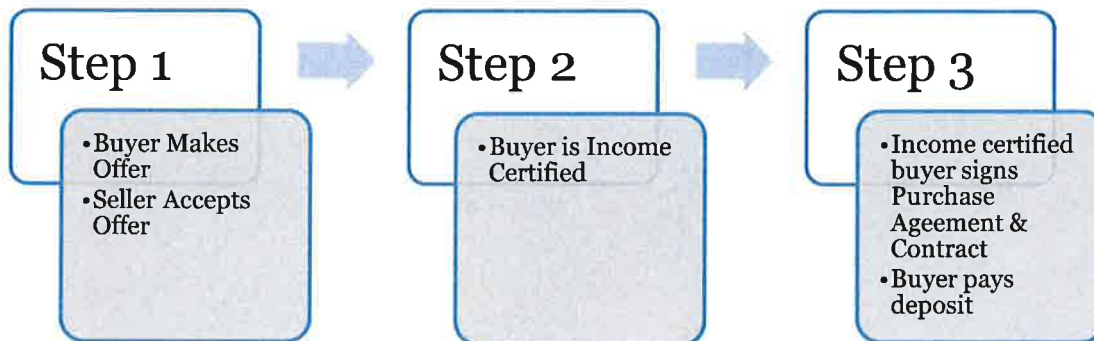
3. Good Faith Deposit/Earnest Money

It is not required, but the seller may choose to collect a good faith deposit or earnest money at the time the Purchase Agreement is signed.

4. Purchase Agreement and Income Certification

The Purchase Agreement is typically signed only after the household is income certified. (See *Figure 9 below*.) Under this process, the Purchase Agreement clearly states that only an income certified household may sign a purchase agreement. See Glossary for definition of “**Certified Household**”. This process will be utilized for most resales, and it is the most effective process for selling homes if there is not a high demand for the home.

Figure 9: Purchase Agreement Signed After Income Certification



However, under certain circumstances, the Administrative Agent may amend the Purchase Agreement to permit a buyer who is not yet income certified to sign the Purchase Agreement. These circumstances include new developments where demand is very high for the units. Under this approach, as shown *Figure 10*, the Purchase Agreement will clearly state that the Purchase Agreement is contingent on the income certification by the Administrative Agent of the buyer as a Low or Moderate-Income household and, in the event that the household is determined not to be income eligible or does not submit a complete application, then the Purchase Agreement is invalid.

Figure 10: Purchase Agreement with Non-Income Certified Buyer



D. Attorneys

New Jersey does not require that attorneys participate in real estate transactions. However, while not a requirement, it is recommended that both the buyer and seller hire an attorney to draft the contract and represent them during the transaction.

E. Realtors

A realtor is not required for the sale of the affordable home because the Administrative Agent will refer interested buyers from the waiting list. However, some Sellers may choose to hire a realtor to conduct additional marketing and show the home. This is permitted under the following circumstances:

- The Seller provides the realtor's contact information to the Administrative Agent so that the Administrative Agent can inform the realtor of the MRSP, preliminary application, income certification process, and other Affordable Housing requirements;
- All interested buyers referred by the realtor, must submit a preliminary application and will be contacted following the process outlined in Chapter III; and
- Any realtor fee is subtracted from the MRSP. In no circumstances will the price of the home exceed the MRSP.

F. Coordination of Closing

After the home goes under contract, the Administrative Agent will maintain regular contact with the buyer, seller, and/or their attorneys as well as the mortgage provider. The Administrative Agent will answer questions about the Affordable Housing documents and assist to resolve any issues that arise before closing.

1. Required Legal Documents

The Administrative Agent will prepare the Affordable Housing documents summarized in *Figure 11*. If 95/5 is currently being used, we will continue to use 95/5 for resales. However, in all other cases, we will use Round III deed restrictions.

2. Resale of Affordable Units: Requirement for a Market Rate Appraisal

A market rate appraisal will be required to calculate the repayment amount on the affordable Recapture Mortgage Note. (This amount is the difference between the market appraisal and the affordable sale price and is due at the first non-exempt sale at the end of the control period. The repayment amount is paid to the Municipality.)

For new units, the developer is responsible for providing the market rate appraisal. If the buyer's mortgage company completes a market-rate appraisal, that appraisal can be used instead.

For resales, the buyer must provide the market rate appraisal. If the buyer's mortgage company will not be completing a market rate appraisal or it is a cash deal, the buyer must pay for a market rate appraisal. *This buyer will be notified of this requirement as soon as the Purchase Agreement is signed because the unit cannot close without the market appraisal.*

Figure 11: Legal Documents for Ownership Units

	No Master Deed	Master Deed
Not a 95/5 Unit	<ul style="list-style-type: none"> ◆ Deed "A" ○ Certification "J" ○ Recapture Note "L" (DCA), "N" (Municipality), or "P" (Agency) ◆ Recapture Mortgage "M" (DCA), "O" (Municipality), or "Q" (Agency) 	<ul style="list-style-type: none"> ◆ Deed "D" ◆ Restrictive Covenant "C-1" ○ Certification "J" ○ Recapture Note "L" (DCA), "N" (Municipality), "P" (Agency) ◆ Recapture Mortgage "M" (DCA), "O" (Municipality), or "Q" (Agency)
95/5 Unit	<ul style="list-style-type: none"> ◆ Deed "B" ○ Certification "J" ○ Recapture Note "G" ◆ Recapture Mortgage "H" 	<ul style="list-style-type: none"> ◆ Deed "D" ◆ Restrictive Covenant "C-2" ○ Certification "J" ○ Recapture Note "G" ◆ Recapture Mortgage "H"
<ul style="list-style-type: none"> ○ Must be filed with Administrative Agent / Municipality ◆ Must be recorded with County 		
<p><i>95/5 Unit: Existing projects (generally completed before 2004) are considered 95/5 units and the Legal Instruments for 95/5 units will be utilized.</i></p>		

3. Closing Fees

If applicable, required closing fees paid by the Seller are due at the time of closing and must be included on the Settlement Statement. The fee cannot be waived.

The only exception is if the unit is bank owned as the result of a foreclosure action and the lenders (such as FHA, Fannie Mae, or Freddie Mac) are statutorily prevented from paying closing fees.

4. Closing Checklist

At the closing, the Administrative Agent will review the Affordable Housing rules with buyer including the following:

- When the unit is sold in the future, the owner must contact the Administrative Agent. The unit cannot be sold for more than the MRSP, and it must be sold to an income Certified Household;
- All refinancing, including lines of credits, secured by the Affordable Unit, must be approved in advance and in writing by the Administrative Agent. The total amount of all debt may not exceed 95 percent of the MRSP of the home;
- The Affordable Unit must be the owner's primary residence;

- No renting of this unit is permitted except on a short-term hardship basis as approved in advance and in writing by the Administrative Agent (see Waiver section for more information); and

Improvements made to the unit will not increase the MRSP. However, as permitted under UHAC (N.J.A.C. 5:80-26.9), an owner “may apply to the Administrative Agent to increase MRSP for the unit on the basis of capital improvements made since the purchase of the unit. Eligible capital improvements shall be those that render the unit suitable for a larger household or that add an additional bathroom [additional bedroom, cost of central air conditioning ... see N.J.S.A. 5:80-26.9]. In no event shall the MRSP or an improved housing unit exceed the limits of affordability for the larger household.”

Prior to closing, the Administrative Agent will obtain a copy of the Closing Disclosure for the Affordable Housing file that is executed at closing between the buyer and seller to confirm that:

- The sale price listed on the Closing Disclosure does not exceed the MRSP; and
- The buyer has not financed more than 95 percent of the sale price and that the buyer is not receiving cash back at closing.

Following closing, the Administrative Agent will obtain one original set of documents and distribute the copies as follows:

- Original of Mortgage, deed, discharges and Restrictive Covenant (if applicable) to the attorney or title company that handled the closing for recording.
- Copy of all documents is provided to the buyer.
- Original of Mortgage Note and copies of all other documents are kept by the Administrative Agent for the Affordable Housing file.

G. Refinance Requests

Affordable home owners are permitted to refinance their mortgages or incur some form of additional debt on their home, such as a home equity loan. The owner must notify the Administrative Agent who will review the request to confirm that the total debt is not more than 95 percent of the current MRSP. If the total debt exceeds 95 percent of the MRSP, the request will be denied. If the request is under 95 percent, the request will be approved.

Reverse mortgages are not prohibited by UHAC. However, lenders have historically not approved reverse mortgages on deed restricted affordable properties because of the refinance limits. Any requests for reverse mortgages should be carefully reviewed to ensure that there is no way the loan amount will exceed 95 percent of the MRSP.

If there is a fee to review the refinance request, the refinance review will not be started until the fee is submitted via certified check or money order.

As clearly stated in the Restrictive Covenant, the owner is forbidden from refinancing or taking an equity loan, a secured letter of credit, or any other mortgage obligation or other debt without advanced, written approval from the Administrative Agent.

H. Annual Mailing

The Administrative Agent will send a mailing to each of the affordable owners annually. This newsletter will provide the owner with information about how to get in touch with the Administrative Agent if they want to sell their home or refinance their mortgage. It will also remind them of other important Affordable Housing requirements.

The envelope will be marked “do not forward”, and if it is returned by the post office, the Administrative Agent will follow-up with the owner to determine if the owner is no longer living in the home.

I. Report that Owner is Not Living in the Unit and/or Renting Unit

When the Administrative Agent obtains indications that an owner is not living in the unit, the Administrative Agent will investigate the allegation. The Administrative Agent will gather as many details as possible such as how long the owner has not been living in the unit; if anyone else is living there (i.e. renters); and if there is anyone else that will corroborate the allegations.

The Administrative Agent will also contact the Municipal Division of Tax Collection to determine where the tax bills are being sent. If they are sent to a different address than the property address on file with the Administrative Agent, then this is an indication that the owner is leasing the Affordable Unit.

The Administrative Agent will send a letter to the owner asking that it call the Administrative Agent within seven days. If the letter is returned, this will also suggest that the owner is not living in the unit. If the owner receives the letter and calls the Administrative Agent, the Administrative Agent will ask the owner about the allegations and request that they provide proof of residency, including copies of their driver’s license and utility bills. The Administrative Agent may also determine it is necessary to do an address search on the owner.

If it is determined that the owner is not living in the home, the enforcement provisions outlined in *Chapter VIII* will apply.

J. Non-payment of Condominium/Homeowner Association Dues, Taxes, Mortgages, and Foreclosure

When the Administrative Agent receives a report that the owner is falling behind in home owner association dues, taxes, and/or mortgage payments, it will immediately reach out to the owner. The purpose of this outreach is to:

- Educate the owner on the risks of not paying their condominium or homeowner association dues, taxes, and/or mortgage payments;
- Determine whether the owner has experienced a temporary or permanent loss of income;
- Recommend that they contact their condominium/homeowner association and/or mortgage company to see if they can set-up a repayment plan;
- Refer them to foreclosure prevention resources; and

- Advise them of the MRSP of their home if they are interested in selling the home before they become further behind.

The Administrative Agent will track the status of the unit and coordinate closely with the Municipality through its Tax Collection and/or Assessor's Office, as well as its Corporation Counsel, in order to be updated as to any water and sewer fees that are in arrears and any foreclosures on Affordable Units. Additionally, the Administrative Agent will notify the Municipal Corporation Counsel if it becomes aware that the home is in foreclosure or a lien has been placed on the unit by the condominium/homeowner association.

All deed restrictions must clearly specify that the affordability controls remain in effect despite the entry and enforcement of any judgment of foreclosure.

K. Waivers

The Administrative Agent has authority to grant waivers from some of the Affordable Housing rules. The Administrative Agent will complete a waiver request form for each request it receives outlining the details of the request and its decision to approve or deny the request.

1. Request to Rent Affordable Unit

Requests to rent a unit will only be approved on a temporary basis if the owner will be required to leave the area for a temporary period of time, such as military deployment. Each request will be reviewed by the Administrative Agent (as permitted by UHAC) based on the specific circumstances of the request. *Another example of where a request for waiver possibly would be approved is where the owner needs to go to another area to care for a sick relative for a short period (such as three months or less). A request for a waiver in order to move to another city to "try out" a new job for six months most likely would not be a basis for an approval.*

The Administrative Agent will determine the maximum rent based on the initial affordability pricing of the unit, and will select the tenant through Affirmative Marketing and random selection.

Other requests to rent units will be denied. These include requests from owners who would like to rent their home because they are unable to sell the unit for the full MRSP.

2. Request to Sell to a Higher Income Household

After an Affordable Unit has been for sale for over 90 days, the owner may request that it be sold to someone in a higher income level. The first factor the Administrative Agent will consider in reviewing these requests is how long it takes to sell a similar Affordable Unit in the current housing market. It is not unusual for an Affordable Unit to be offered for sale for six months or more before a qualified buyer is found. The waiver request will not be considered until the Affordable Unit has exceeded the "typical" time period it takes to sell a home under current market conditions.

Next, the Administrative Agent will review the sale price of the Affordable Unit. The inability to sell a unit for the MRSP shall not, in and of itself, be considered an appropriate reason for granting a waiver. The Administrative Agent will review the sale price of recent, comparable

affordable homes and determine if the owner should consider lowering the price. The condition of the unit and whether the Seller has consented to show the Affordable Unit to interested applicants will be factored into this analysis.

If the home has been for sale longer than other Affordable Units typically take to sell with the sale price comparable to other sales, and the owner has shown the Affordable Unit to interested buyers, the waiver may be approved. This waiver will only apply to this sale, and the original income restriction will remain for future sales.

L. Requests for Improvements

The Administrative Agent will review requests to increase the MRSP of the Affordable Unit on the basis of capital improvements. Eligible capital improvements shall be an increase in the number of bedrooms only.

Owners may make other improvements to their Affordable Units, and they are not required to request approval from the Administrative Agent. This includes improvements such as new countertops or flooring that do not increase the MRSP.

M. Transfer of Ownership to Non-Income Certified Owner

Under the following circumstances, ownership of an Affordable Unit can be transferred to another owner without the new owner being income certified. These circumstances include:

- 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; or
The transfer of ownership through an executor's deed to a Class A beneficiary (father, mother, grandparents, descendants, spouses, and, generally, civil union partners, or domestic partners).

This waiver will only apply to this sale, and the original income restriction will remain for future sales.

N. Enforcement

The guidelines for the enforcement of the affordable rules are outlined in *Chapter VIII*.

VI. Rental Program

The following is an overview of the process of filling a rental vacancy. See *New Rental Units* in *Chapter II* for a discussion of allowable fees and landlord-tenant selection criteria and *Chapter III* for a full discussion of management of the waiting list.

A. Filling Affordable Rental Vacancy

1. Landlord Notices of Vacancy

Landlords will notify the Administrative Agent when there will be a vacancy. Because of the Affirmative Marketing and income certification requirements, landlords will be advised that it may take up to two months to find a qualified tenant and longer if there is not high demand for a unit.

2. Calculating the Maximum Rent at Vacancy

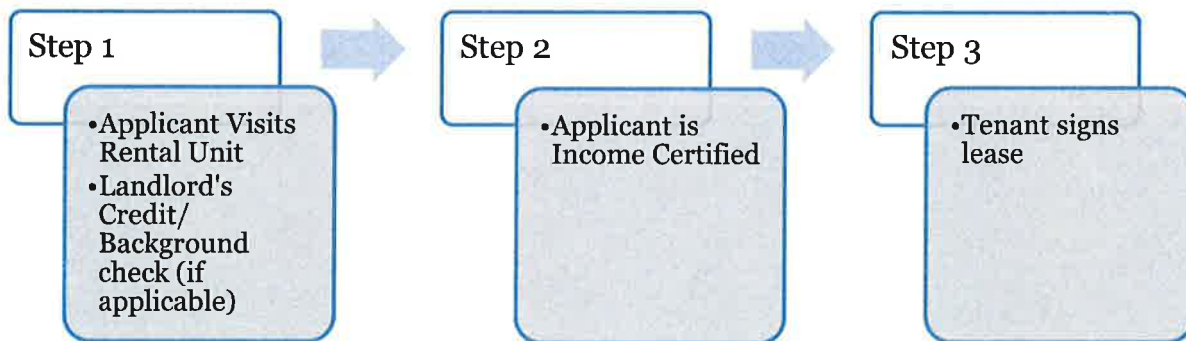
The Administrative Agent will determine the Maximum Rent that can be charged to the new tenant. This will be based on initial rent when the first tenant occupied the unit and the annual increases permitted by the State. See Appendix A for updated maximum annual rent increase. (Annual rental increases will be calculated even if the landlord did not take all permitted annual increases for the previous tenant.) At the landlord's discretion, the landlord can choose to rent the unit for less than the Maximum Rent determined by the Administrative Agent.

3. Referring Applicants to Landlord

The Affirmative Marketing process is outlined in *Chapter III* of this manual. After the next household on the waiting list passes the Administrative Agent's preliminary screen, the applicant is referred to the landlord to see the unit. If the applicant wants to rent the unit, they will complete the landlord's application and pay any required landlord fees. (See *New Rental Units* in *Chapter II* for discussion of fees and landlord-tenant selection criteria.)

If the landlord approves the applicant, the landlord will notify the Administrative Agent and the Administrative Agent will invite the applicant to submit a full application (*Figure 12*).

Figure 12: Rental Income Certification Process



4. Income Certification and Signing the Lease

After the applicant is fully income certified, the landlord will be notified that they may execute a lease with a tenant. *Co-signers* are permitted if allowed by landlord. Applicants who are separated and do not have settlement agreements are permitted to rent an Affordable Unit. However, in order to calculate the household income at the time of the full income certification, the applicant will need to provide a division of assets signed by both parties.

A copy of the executed lease must be sent to Administrative Agent.

B. Lease Renewals

The Administrative Agent will calculate the allowable maximum rent each year (please see Appendix A entitled “Methodology for Calculating Regional Income Limits and Rental Increases”). The Administrative Agent will advise the landlord what the maximum amount of rent is and request the copy of the executed lease for the file. And, unlike some forms of Public Housing, the tenant’s right to tenancy at the allowable rent does not vary with any increases or decreases in the tenant’s income.

If the landlord chooses not to take the annual increase, the landlord may not take a larger increase the following year. *For example, if the landlord does not take the 2015 increase in 2015, they may not take the 2015 and 2016 increase the following year if the current tenant does not move out.*

Month-to-month leases are permitted. Additional fees for month-to-month leases are considered “optional fees.” See discussion of optional fees in *Chapter II*.

Income certification of tenants is NOT required at the time of lease renewal. Upon leasing an Affordable Unit to a new tenant, the landlord will be permitted to lease at the allowable rent level permitted at that time.

C. Adding Additional Household Members to the Lease

The household composition of the rental household may change over time. The Affordable Housing rules do not prohibit the tenant from changing the number of household members on the lease following occupancy. However, all changes to the lease must be approved by the landlord.

However, an applicant cannot change their household composition after they submit the full application or immediately after they are income certified. The household members on the new tenant’s lease must match the household members listed on the income certification. This is to prevent applicants from changing their household composition in order to qualify for an Affordable Unit.

D. Income Designation of Units Are Fixed

The income designation and pricing tier of units are fixed and cannot be changed during the affordability period for any reason. *For example, if Unit 301 is a 3 bedroom Low-Income Unit and unit 201 is a 3 bedroom Moderate-Income unit, the landlord CANNOT change Unit 201 into the Low- Income unit and unit 301 into the Moderate-Income unit.*

E. Evictions

If the affordable tenant fails to pay rent or violates the terms of the lease, the landlord may take action as permitted by New Jersey Landlord Tenant laws.

F. Enforcement

The guidelines for the enforcement of the rental rules are outlined in *Chapter VIII*.

VII. Appeals

If an applicant for affordable housing is determined to be ineligible by the Administrative Agent, the applicant may submit additional proof and request reconsideration. Such request for reconsideration shall be made by the applicant within five (5) business days of receipt of notice of denial of ineligibility.

If a policy or decision regarding this program is appealed by an outside party, the Municipal Housing Liaison (a position established by Municipal Ordinance) will attempt to mediate the decision or policy to the satisfaction of all parties. Any situations that the Municipal Housing Liaison is unable to resolve will be forwarded to the Executive Director of the Agency (or its successor) for review or to the Superior Court of New Jersey, Morris County.

VIII. Enforcement

The Municipality's Affordable Housing Ordinance provides specific guidelines in the event of breach of any of the guidelines governing the Affordable Units by an owner, developer, or tenant. Please refer to Municipality's Ordinance for the complete list of enforcement activities upon the occurrence of a breach of any of the regulations governing the affordable unit by an owner, developer or tenant. Some of these remedies may include, but are not limited to:

- Foreclosure;
- Tenant eviction;
- Municipal fines;
- A requirement for household recertification;
- Acceleration of all sums due under a mortgage;
- Recoupment of any funds from a sale in violation of the regulations;
- Injunctive relief to prevent further violation of the regulations; and
- Entry on the premises.

A. Written Notice

In accordance with the Municipality's Affordable Housing Ordinance, the Municipality will provide written notice of a violation to a household, developer or tenant of an Affordable Unit advising them of the violation and the related penalty for the violation. If the violation is not corrected within sixty (60) days after the written notice, the Municipality may take the actions outlined in this Chapter.

B. Penalties

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 Unit. If the owner, developer, or tenant is found by the court to have violated any provision of the regulations governing Affordable Units, the owner, developer, or tenant shall be subject to one or more of the following penalties, at the discretion of the court:

- A fine of not more than \$500 or imprisonment for a period not to exceed 90 days, or both. Each day that the violation continues or exists shall be considered a separate and specific violation of these provisions and not as a continuing offense;
- In the case of an owner who has rented his or her very low, low, or moderate income unit in violation of the regulations governing Affordable Units, payment into the Municipality's Affordable Housing Trust Fund of the gross amount of rent illegally collected; and
- In the case of an owner who has rented his or her very low, low, or moderate income unit in violation of the regulations governing Affordable Units, payment of an innocent tenant's reasonable relocation costs, as determined by the court.

The Municipality may file a court action in the Superior Court seeking a judgment, which would result in the termination of the owner's equity or other interest in the Affordable Unit, in the nature of a mortgage foreclosure. Any judgment shall be enforceable as if the same were a

judgment of default of the first purchase money mortgage and shall constitute a lien against the low- and moderate-income unit.

C. Sheriff Sale

Such judgment shall be enforceable, at the option of the Municipality, by means of an execution sale by the Sheriff, at which time the very low, low, or moderate income unit of the violating owner shall be sold at a sale price which is not less than the amount necessary to satisfy and pay off any first purchase money mortgage and prior liens and the costs of the enforcement proceedings incurred by the Municipality fully, including attorneys' fees. The violating owner shall have the right to possession terminated as well as the title conveyed pursuant to the Sheriff's sale.

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 very low, low, or moderate income unit. The excess, if any, shall be applied to reimburse the Municipality for any and all costs and expenses incurred in connection with either the court action resulting in the judgment of violation or the Sheriff's sale. In the event that the proceeds from the Sheriff's sale are insufficient to reimburse the Municipality in full as aforesaid, the violating owner shall be personally responsible for and to the 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 Affordable Housing Trust as established by 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.

Foreclosure by the municipality due to violation of the regulations governing Affordable Units shall not extinguish the restrictions of the regulations governing Affordable Units as the same apply to the very low, low, or 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 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.

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 very low, low, or 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 MRSP for which the very low, low, or moderate income unit could have been sold under the terms of the regulations governing Affordable 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.

Failure of the very low, low, or moderate income unit to be either sold at the Sheriff's sale or acquired by the municipality shall obligate the owner to accept an offer to purchase from any qualified purchaser which may be referred to the owner by the municipality, with such offer to purchase being equal to the MRSP of the very low, low, or moderate income unit as permitted by the regulations governing Affordable Units.

The owner shall remain fully obligated, responsible, and liable for complying with the terms and restrictions governing Affordable Units until such time as title is conveyed from the owner.

In the event that any provision in this Manual differs from the terms or penalties identified in the most current Affordable Housing Ordinance, then the Affordable Housing Ordinance (as may be from time to time modified, amended and/or revised by relevant New Jersey State laws and/or regulations) shall prevail. The invalidity or nonenforceability of any provision of this Manual in any respect shall not affect the validity or enforceability of any other provision of this Manual in any other respect.

GLOSSARY

“Administrative Agent” means the entity responsible for the administration of Affordable Units in accordance with the Municipality’s Affordable Housing Ordinance and as defined and with the responsibilities specified at N.J.A.C. 5:96, N.J.A.C. 5:97 and N.J.A.C. 5:80-26.1 et seq., as may be amended and supplemented.

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

“Affordable” means a sales price or rent within the means of a very low, low- or moderate-income household as defined in N.J.A.C. 5:97-9; 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” means housing units restricted to income-eligible very-low, low and moderate income households.”

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

“Affordable Housing Unit” for the purposes of this manual means a housing unit proposed or created pursuant to the Fair Housing Act, for which credits are obtained pursuant to COAH regulations, and/or funded through an affordable housing trust fund.

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

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

“Age-Restricted Unit” means a housing unit designed to meet the needs of, and exclusively for, the residents of an age-restricted segment of the population such that: 1) all the residents of the development wherein the unit is situated are 62 years of age or older; or 2) at least 80 percent of the units are occupied by one person 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.

“Application” means both the Preliminary Application and the Full Application submitted by an interested renter or potential homeowner for Affordable Units in the Municipality.

- **“Preliminary Application”** means the initial application submitted by all households that wish to express their interest in and be considered for Affordable Housing. This

Preliminary Application includes information about household income and composition in order to determine preliminary eligibility.

- **“Full Application”** means once an Affordable Unit appropriate for the Household (either to rent or buy) has been identified and the Household is nearing or next on the waiting list, the Household will be asked to submit a full application which requires that the income and household composition be updated and verified. The Administrative Agent will make a determination of the Household’s eligibility.

“Certified Household” means a Household that has been certified by an Administrative Agent as A Very Low, Low-Income or Moderate-Income Household.

“Closing Disclosure Form” means the form which in October 2015 replaced the commonly used HUD-1 Settlement Statement for residential real estate closings. The Closing Disclosure Form provides details about the mortgage loan selected by the buyer which includes the loan terms, projected monthly payments, and how much the buyer will pay in fees and other costs to obtain the mortgage (“closing costs”).

The lender is required to provide the Closing Disclosure Form to the buyer at least three business days before the closing on the mortgage loan. The Administrative Agent will review the Closing Disclosure Form to confirm that the sale price does not exceed the MRSP and that the buyer is not receiving cash back at closing.

“COAH” means the Council on Affordable Housing, or successor agency, which is in, but not of the Department of Community Affairs of the State of New Jersey, that was established under the New Jersey Fair Housing Act “to have primary jurisdiction for the administration of housing obligations in accordance with sound regional planning considerations in this State” N.J.S.A. 52:27D-304 (a).

“Contract for Sale” means a legally binding agreement between a buyer and seller for the sale or transfer of real estate. See also, **“Purchase Agreement”**.

“CTM” means the online COAH Tracking and Monitoring system to which new units are added after initial sale or initial rental.

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

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

“Development” means the division of a parcel of land into two or more parcels, the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of any 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.*

“Eligibility Period” means once the Full Application for an Affordable Unit has been submitted with the applicant certifying that all information is complete and true, the applicant enters the Eligibility Period. During this one to two-week time frame, as the Household’s eligibility is being reviewed, the applicant is not permitted to change the employment status of any Household member in order to become eligible for Affordable Housing nor change the Household composition from what is listed on the Full Application. *For example, the applicant cannot add a member to their Household, subtract a member, quit a job, or get a new job, or a raise during the Eligibility Period.* If the applicant does make changes during this Eligibility Period, the Household will be determined ineligible and lose their position on the waiting list. However, the applicant may reapply with their new income and/or Household composition and will be assigned a new position on the waiting list.

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

“Full Application” (see **“Application”**).

“Housing Authority” means the Public Housing Agency which manages and operates publicly assisted units in the Municipality.

“Affordable Housing Ordinance” means that chapter or section of the municipal ordinance (the rules, regulations and codes enacted by a local government) addressing local affordable housing programs and procedures, as may be amended and supplemented.

“HOME Program” means the HUD funded HOME Investment Partnerships Program that provides formula grants to States and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating Affordable Housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create Affordable Housing for Low-Income Households.

“Household” means, in accordance with HUD definitions and UHAC practice, the number of persons in the Affordable unit and not the size of the Affordable unit. See for example, HUD’s definition of household as “[o]ne or more persons occupying a housing unit” -- in other words, the number of persons in the home. HUD website accessed 6/13/2016.

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/library/glossary/ See also UHAC regulation N.J.A.C. 5:80-26.4, “In determining the initial rents and initial sales prices for compliance with the affordability average requirements for restricted units ... the following standards shall be used: 1. A studio shall be affordable to a one-person household.”

“Housing Region” means a geographic area, determined by COAH, of no less than two and no more than four contiguous, whole counties, which exhibits significant social, economic, and income similarities and which constitutes, to the greatest extent practicable, a Primary Metropolitan Statistical Area (PMSA), as last defined by the United States Census Bureau.

“**HUD**” means the US Department of Housing and Urban Development. “**Interest Date**” means the date on which a Household submits its Preliminary Application thereby establishing its place on the priority list for consideration of Affordable Units.

“**LAD**” means the New Jersey Law Against Discrimination, N.J.S.A. 10:5-1 et seq., prohibits, among other discriminatory actions, discrimination when selling or renting property.

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

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

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

“**Maximum Restricted Sales Price**” or “**MSRP**” means the maximum sales price of restricted ownership units within each affordable development upon resale of the Affordable Unit in accordance with N.J.A.C. 5:80-26.3(e) which states that such units “shall be affordable to households earning no more than 70 percent of median income. Each affordable development must achieve an affordability average of 55 percent for restricted ownership units. See Glossary for definition of “**Affordability Average.**” In achieving this Affordability Average, moderate-income ownership units must be available for at least three different prices for each bedroom type, and low-income ownership units must be available for at least two different prices for each bedroom type.” *For example, a two-bedroom moderate income unit originally sold for \$85,000 and another exactly similar unit originally sold for \$105,000. There always will be a disparate MSRP for resales of these two units. Both moderate income units are priced differently to reach different income levels of moderate income households.*

“**Median income**” means 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**” means a household with a total gross annual household income in excess of 50 percent but less than 80 percent of the median household income for the housing region.

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

“**Municipal Housing Liaison**” means a position established by ordinance of the Municipality where the individual as a part time or full time employee of the Municipality is responsible for the oversight and administration of the Affordable Housing program for the Municipality

“**PHA**” means Public Housing Authority. See below for definition.

“**PMI**” means private mortgage insurance. PMI is a type of mortgage insurance used with conventional loans. Like other kinds of mortgage insurance, PMI protects the lender (not the homebuyer) if the homebuyer stops making payments on the loan. PMI is arranged by the

lender and provided by private insurance companies. PMI is usually required when the homebuyer has a conventional loan and makes a down payment of less than 20 percent of the home's purchase price. PMI also is usually required when a homeowner is refinancing with a conventional loan and the owner's equity is less than 20 percent of the value of the home.

<http://www.consumerfinance.gov/>, US Consumer Financial Protection Bureau, accessed August 10, 2016.

“Preliminary Application” (see **“Application”**).

“Public Housing” “Public Housing Authority” means those public housing units which are funded largely by governmental programs such as those administered by HUD programs which are owned, operated and managed by a public housing authority (**“PHA”**). As defined by HUD, “public housing was established to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing comes in all sizes and types, from scattered single family houses to high rise apartments for elderly families. There are approximately 1.2 million households [in the US] living in public housing units [.]”

http://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph, HUD Website, accessed June 7, 2016.

“Purchase Agreement” means a not legally binding, “internal” COAH generated document between a buyer and seller of residential real estate to establish and ensure that the Affordable Unit will be affordable to the buyer. It stipulates such terms as the Maximum Restricted Sale Price (or Maximum Permitted Resale Price) of the unit, the agreed upon purchase price, the amount of good faith deposit, and the items to be included in the sale price of the unit. (See “Contract of Sale”).

“Random selection process” means a process by which currently income-eligible households are selected for placement in Affordable 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).

“Redevelopment Plan” means a plan adopted by the Municipality for the redevelopment or rehabilitation of all or any part of a redevelopment area, or area in need of rehabilitation, pursuant to the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq.

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

If a Household (seeking to be certified for an Affordable Unit) owns a primary residence (with no mortgage on the property) valued at or above the regional asset limit as published annually by COAH, a Certificate of Eligibility will be denied unless the Applicant's existing monthly housing costs (including principal, interest, taxes homeowner and private mortgage insurance, and condominium and homeowner association fees as applicable) exceed 38 percent of the household's eligible monthly income. N.J.A.C. 5:80-26.16(b)(3).

“Regional Preference” means that in accordance with UHAC, municipalities may wish to give preference to applicant households that live or work in their COAH housing region. If so, the municipality must state this preference as part of its affordable housing ordinance. This preference cannot be limited to families that live or work in the host municipality – if preference is given, it must be given to all households that live or work in their COAH housing region. COAH divides New Jersey’s 21 counties into six housing regions as outlined on COAH’s Annual Regional Income Limits Chart.

“Rent” means the gross monthly cost of a rental unit to the tenant, including the rent paid to the landlord, as well as an allowance for tenant-paid utilities computed in accordance with allowances published by DCA for its Section 8 program. In assisted living residences, rent does not include charges for food and services.

“Restricted Unit” means a dwelling unit, whether a rental unit or an ownership unit, that is subject to the affordability controls of N.J.A.C. 5:80-26.1, as amended and supplemented, but does not include a market-rate unit financed under the Urban Homeownership Recovery Program (“UHORP”) or the Market Oriented Neighborhood Investment program (“MONI”) of the Agency.

“UHAC” means the Uniform Housing Affordability Controls adopted by the State of New Jersey and set forth in N.J.A.C. 5:80-26.1, *et seq.*

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

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

“Veterans Preference” means the municipality and Developer or residential development owner may enter into an agreement to provide a preference for affordable housing to very low, low and moderate income veterans who served in time of war or other emergency, as defined in section 1 of P.L.1963, c. 171 (C.54:4-8.10), of up to 50 percent of the affordable units in that particular project. This provision is in accordance with N.J.S.A. 52:27D-311 (j). This preference shall be established in the applicant selection process for available affordable units so that applicants who are veterans who served in time of war or other emergency, as referenced in this subsection, and who apply within 90 days of the initial marketing period shall receive preference for the rental of the agreed-upon percentage of affordable units. After the first 90 days of the initial 120-day marketing period, if any of those units subject to the preference remain available, then applicants from the general public shall be considered for occupancy. After the 120 –day marketing period, veterans will continue to get preference over non-veterans, as the units become available, whenever the percentage of preference-occupied units falls below the agreed upon percentage.

Appendix A: Annual Information Update

The following information is subject to change annually:

- Regional Maximum Income Limits
- Regional Asset Limits
- Annual Maximum Restricted Sale Price Increase
- Annual Maximum Rental Increase Amount

In order to keep this manual current, Appendix A will be revised annually with updated numbers upon their general availability. See next page for the most recent information.

Methodology for Calculating Regional Income Limits and Rental Increase:

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

- a. Regional income limits shall be established for the region that the municipality is located within, based on the median income by household size, which shall be established by a regional weighted average of the uncapped Section 8 income limits published by HUD. To compute this regional income limit, the HUD determination of median county income for a family of four is multiplied by the estimated households within the county according to the most recent decennial Census. The resulting product for each county within the housing region is summed. The sum is divided by the estimated total households from the most recent decennial Census in the municipality's housing region. This quotient represents the regional weighted average of median income for a household of four. The income limit for a moderate-income unit for a household of four shall be 80 percent of the regional weighted average median income for a family of four. The income limit for a low-income unit for a household of four shall be 50 percent of the HUD determination of the regional weighted average median income for a family of four. The income limit for a very low-income unit for a household of four shall be 30 percent of the regional weighted average median income for a family of four. These income limits shall be adjusted by household size based on multipliers used by HUD to adjust median income by household size. In no event shall the income limits be less than those for the previous year.
- b. The income limits attached hereto as Exhibit B are the result of applying the percentages set forth in paragraph (a) above to HUD's determination of median income for the current year and shall be utilized until the municipality updates the income limits after HUD has published revised determinations of median income for the next fiscal year.
- c. 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 Municipality 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.

In establishing sale prices and rents of affordable housing units, the administrative agent shall follow the procedures set forth in UHAC, utilizing the regional income limits established pursuant to the process defined above:

- a. The resale prices 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 determined pursuant to the process outlined above. In no event shall the maximum resale price established by the administrative agent be lower than the last recorded purchase price.
- b. The rent levels of very-low-, low- and moderate-income units may be increased annually based on the percentage increase in the Housing Consumer Price Index for the Northeast Urban Area, upon its publication for the prior calendar year. This increase shall not exceed nine percent in any one year. Rents for units constructed pursuant to low income housing tax credit regulations shall be indexed pursuant to the regulations governing low income housing tax credits.

Annual Information Update - Last Revised 08-2020

Region 2 Maximum Income Limits

Essex, Morris, Union and Warren

Household Size	Very-Low Income	Low Income	Moderate Income	Median Income
1 Person	\$22,157	\$36,929	\$59,086	\$73,857
1.5 Person*	\$23,740	\$39,566	\$63,306	\$79,132
2 Person	\$25,322	\$42,204	\$67,526	\$84,408
3 Person*	\$28,488	\$47,480	\$75,967	\$94,959
4 Person	\$31,653	\$52,755	\$84,408	\$105,510
4.5 Person*	\$32,919	\$54,865	\$87,784	\$109,730
5 Person	\$34,185	\$56,975	\$91,161	\$113,951
6 Person	\$36,717	\$61,196	\$97,913	\$122,391
7 Person	\$39,250	\$65,416	\$104,666	\$130,832
8+ Person	\$41,782	\$69,637	\$111,419	\$139,273

* 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).

Region 2 Regional Asset Limit:

\$202,419

Region 2 Maximum Restricted Sale Price Increase:

4.71%

Region 2 Maximum Rental Increase:

1.90%



BOROUGH OF MOUNTAIN LAKES

LISTED IN NATIONAL AND STATE REGISTERS OF HISTORIC PLACES

Mitchell Stern
Borough Manager
mstern@mtnlakes.org

400 Boulevard
Mountain Lakes, NJ 07046
P -973-334-3131 ext .2006
F -973-402-5595

TO: Honorable Mayor and Borough Council
SUBJ: Manager's Report
CC: Robert Oostdyk, Borough Attorney

The following represents the Manager's report for the Borough Council meeting of September 30, 2020.

Building Department – Due to a lack of support staff and an increase in workload, our Construction Official has been unable to complete building permit applications, plan reviews and open public records requests in a timely manner, frustrating both residents and contractors. Additionally, the office has a large number of older permits that need to be addressed. To resolve these issues, I am requesting approval of a salary resolution that will enable me to hire a temporary part-time employee to assist the office. I have spoken with and received the support of our personnel sub-committee on this request.

As always, I encourage anyone with questions or concerns to reach out to me.

Mitchell

RESOLUTION AND ORDINANCE REVIEW FOR THE SEPTEMBER 30, 2020 MEETING

TO: MAYOR AND COUNCIL

FROM: MITCHELL STERN, MANAGER

RESOLUTIONS

R140-20, AUTHORIZING 2020 MUNICIPAL EMPLOYEES' SALARY - this resolution authorizes the Borough Manager to hire a General Administrative Floater to assist the construction office with administrative tasks. The employee will be paid hourly with a total salary not exceed \$5000 for the remainder of 2020.

ORDINANCES TO ADOPT

ORDINANCE 11-20, AUTHORIZING A SPECIAL EMERGENCY APPROPRIATION IN THE SUM OF \$125,000.00 TO ABIDE THE COST OF A REAL PROPERTY TAX RE-ASSESSMENT PROGRAM APPROVED BY THE MORRIS COUNTY BOARD OF TAXATION TOGETHER WITH RELATED NECESSARY EXPENSES AND TO AUTHORIZE THE FINANCING OF THE SAME BY THE ISSUANCE OF "SPECIAL EMERGENCY NOTES" PURSUANT TO N.J.S.A. 40A:4-55 SHOULD THE SAME BE REQUIRED – this ordinance authorizes a special emergency appropriation of \$125,00.00 to undertake and implement a municipal-wide real property tax re-assessment.

ORDINANCE 12-20, AMENDING CHAPTER 111 OF THE REVISED GENERAL ORDINANCES OF THE BOROUGH OF MOUNTAIN LAKES AND REVISING THE FEE SCHEDULE – this ordinance authorizes fee adjustments for water and sewer rates.

ORDINANCES TO RE-ADOPT

ORDINANCE 3-20, AUTHORIZING CHAPTERS 40 AND 245 OF THE REVISED GENERAL ORDINANCES OF THE BOROUGH OF MOUNTAIN LAKES (EAST-BOUND RT. 46 ORDINANCE) – this ordinance was adopted on May 11, 2020 and revised the zoning regulations in Business Zone A. We learned after this ordinance was adopted that the various required notices were provided except for the notice to the County Planning Board. The County Planning Board did receive notice of the adoption and would not have had any substantive roll in the subject matter of this ordinance however, procedurally, should have been noticed of its pendency before adoption. Therefore, this ordinance needs to be reintroduced, notice properly provided to the County Planning Board, and readopted to cure any procedural defect in the initial adoption.

If there are any questions prior to the meeting, please feel free to contact me.

**BOROUGH OF MOUNTAIN LAKES
MORRIS COUNTY, NEW JERSEY**

ORDINANCE 11-20

AN ORDINANCE AUTHORIZING A SPECIAL EMERGENCY APPROPRIATION IN THE SUM OF \$125,000.00 TO ABIDE THE COST OF A REAL PROPERTY TAX RE-ASSESSMENT PROGRAM APPROVED BY THE MORRIS COUNTY BOARD OF TAXATION TOGETHER WITH RELATED NECESSARY EXPENSES AND TO AUTHORIZE THE FINANCING OF THE SAME BY THE ISSUANCE OF "SPECIAL EMERGENCY NOTES" PURSUANT TO N.J.S.A. 40A:4-55 SHOULD THE SAME BE REQUIRED

WHEREAS, largely due to the recent substantial decrease in the value of real property within the Borough of Mountain Lakes, assessed valuations of those properties are estimated to far exceed the respective true values, and

WHEREAS, based thereon, the Morris County Board of Taxation has approved the Borough to undertake and implement a municipal-wide real property tax re-assessment so that assessed valuations, to the extent reasonably possible, accurately reflect the true value of real property in this Borough as the law requires, and

WHEREAS, N.J.S.A. 40A:4-53 (b) authorizes a municipality to adopt an ordinance creating a special emergency appropriation or this purpose,

BE IT ORDAINED by the Mayor and Council of the Borough of Mountain Lakes; County of Morris and State of New Jersey, not fewer than two-thirds of the members thereof affirmatively concurring, as follows:

1. In order to comply with the law requiring that assessed valuations of real property accurately reflect true value, it is hereby determined that it is necessary to provide for a Program of Real Property Tax Re-Assessment in accordance with N.J.A.C. 18:12A-1.14(c) in order to update and make current the previously ordered re-valuation program and related necessary expenses, that has been approved by the Morris County Board of Taxation.
2. A special emergency appropriation in the amount of \$125,000.00 is hereby authorized to carry out the purposes stated in Paragraph 1 hereof.
3. Upon the passage of this ordinance, the Governing Body of the Borough of Mountain Lakes may, pursuant to N.J.S.A. 40A:4-55, by a two-third's vote of its entire membership, adopt a resolution setting forth: (a) the amount appropriated, and; (b) provisions for the borrowing of the money and the issuance of special emergency notes which may be renewed from time to time so long as at least one-fifth of all such notes and renewals thereof shall mature and be paid in each year in order that all notes and renewals shall have matured and have been paid not later than the last day of the fifth year following the date of final adoption of this ordinance, or; (c) provision for appropriating the same amount from available surplus funds if at least 1/5 of the amount thereof is included in each annual Budget until the appropriation has been fully provided for.
4. The provisions of Chapter 4 of Title 40A relating to tax anticipation notes shall apply to any special emergency notes, if issued hereunder.
5. A copy of this ordinance and any resolution adopted pursuant hereto shall be filed in the Office of the Director of the Division of Local Government Services in the Department of Community Affairs.
6. All parts of Ordinances inconsistent with this Ordinance are hereby repealed as to such inconsistent parts and this Ordinance shall take effect only after publication thereof subsequent to final passage as provided by law and only after approval of the said program by the Morris County Board of Taxation. If any section, subsection, paragraph, sentence, clause or word of this Ordinance shall be adjudged invalid by a Court of competent jurisdiction, such invalidity shall not effect the validity of the remaining portions of this Ordinance it being intended that all such portions be severable in such event.
7. This Ordinance shall take effect immediately after final passage and publication in the manner provided by law.

**BOROUGH OF MOUNTAIN LAKES
MORRIS COUNTY, NEW JERSEY**

ORDINANCE 12-20

**ORDINANCE AMENDING CHAPTER 111 OF THE REVISED GENERAL ORDINANCES OF THE
BOROUGH OF MOUNTAIN LAKES AND REVISING THE FEE SCHEDULE**

BE IT ORDAINED by the Borough Council of the Borough of Mountain Lakes, in the County of Morris and State of New Jersey, as follows:

Section 1. Chapter 111 of the Revised General Ordinances of the Borough of Mountain Lakes, entitled "Fee Schedule", shall be amended as follows:

(4) Water rates

Water meters per
100 gallons

Residential:

Minimum Charge up to 11,968 gallons	\$ 47.86	\$ 50.25
From 11,969 to 22,440 gallons	\$0.4187	\$0.4396
From 22,441 to 37,400 gallons	\$0.4305	\$0.4520
From 37,401 to 59,840 gallons	\$0.4511	\$0.4737
From 59,841 to 74,800 gallons	\$0.4680	\$0.4914
From 74,801 gallons and above	\$0.4936	\$0.5183

Commercial / Industrial:

Minimum Charge up to 11,968 gallons	\$ 50.91	\$ 53.46
From 11,969 to 22,440 gallons	\$0.4628	\$0.4859
From 22,441 to 37,400 gallons	\$0.4850	\$0.5093
From 37,401 to 59,840 gallons	\$0.5446	\$0.5718
From 59,841 to 74,800 gallons	\$0.5956	\$0.6254
From 74,801 gallons and above	\$0.6467	\$0.6790

Sprinkler meters per
100 gallons

Residential:

Minimum Charge up to 11,968 gallons	\$ 61.09	\$ 64.14
From 11,969 to 22,440 gallons	\$0.6025	\$0.6326
From 22,441 to 37,400 gallons	\$0.6603	\$0.6933
From 37,401 to 59,840 gallons	\$0.7080	\$0.7434
From 59,841 to 74,800 gallons	\$0.8679	\$0.9113
From 74,801 gallons and above	\$1.1165	\$1.1723

Commercial:

Minimum Charge up to 11,968 gallons	\$ 66.20	\$ 69.51
From 11,969 to 22,440 gallons	\$0.6449	\$0.6771
From 22,441 to 37,400 gallons	\$0.7028	\$0.7379
From 37,401 to 59,840 gallons	\$0.7523	\$0.7899
From 59,841 to 74,800 gallons	\$0.8917	\$0.9363
From 74,801 gallons and above	\$1.1573	\$1.2152

Water meters per
cubic feet

Residential:

Minimum Charge up to 1600 cubic feet	\$ 47.86	\$ 50.25
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	From 1,601 to 3,000 cubic feet	\$0.0313	\$0.0329
	From 3,001 to 5,000 cubic feet	\$0.0322	\$0.0338
	From 5,001 to 8,000 cubic feet	\$0.0337	\$0.0354
	From 8,001 to 10,000 cubic feet	\$0.0350	\$0.0368
	From 10,001 cubic feet and above	\$0.0369	\$0.0387
	Commercial / Industrial		
	Minimum Charge up to 1600 cubic feet	\$ 50.91	\$ 53.46
	From 1,601 to 3,000 cubic feet	\$0.0346	\$0.0363
	From 3,001 to 5,000 cubic feet	\$0.0362	\$0.0380
	From 5,001 to 8,000 cubic feet	\$0.0407	\$0.0427
	From 8,001 to 10,000 cubic feet	\$0.0445	\$0.0467
	From 10,001 cubic feet and above	\$0.0483	\$0.0507
Sprinkler meters per cubic feet			

Residential:

	Minimum Charge up to 1600 cubic feet	\$ 61.09	\$ 64.14
	From 1,601 to 3,000 cubic feet	\$0.0451	\$0.0474
	From 3,001 to 5,000 cubic feet	\$0.0494	\$0.0519
	From 5,001 to 8,000 cubic feet	\$0.0527	\$0.0553
	From 8,001 to 10,000 cubic feet	\$0.0649	\$0.0681
	From 10,001 cubic feet and above	\$0.0835	\$0.0877

Commercial

	Up to 1600 cubic feet	\$ 66.20	\$ 69.51
	From 1,601 to 3,000 cubic feet	\$0.0482	\$0.0506
	From 3,001 to 5,000 cubic feet	\$0.0526	\$0.0552
	From 5,001 to 8,000 cubic feet	\$0.0563	\$0.0591
	From 8,001 to 10,000 cubic feet	\$0.0667	\$0.0700
	From 10,001 cubic feet and above	\$0.0865	\$0.0908

(5) Sewer rates (rates based on water usage by water meter)

Sewer rates per 100 gallons

	Residential sewer fee	\$0.7242	\$0.6938
	Commercial/Industrial sewer fee	\$0.7857	\$0.7527

Sewer rates per cubic feet

	Residential sewer fee	\$0.0542	\$0.0519
	Commercial/Industrial sewer fee	\$0.0588	\$0.0563

Late charge on delinquent sewer bills 8% per quarter

Minimum charge for sewer usage, pro rata when meter is connected for less than a quarter:

	Residential sewer fee	\$ 86.68	\$ 83.04
	Commercial/Industrial sewer fee	\$ 94.04	\$ 90.09

Section 2. If any section or provision of this Ordinance shall be held invalid in any Court of competent jurisdiction, the same shall not affect the other sections or provisions of this Ordinance, except so far as the section or provision so declared invalid shall be inseparable from the remainder or any portion thereof.

Section 3. All Ordinances or parts of Ordinances, which are inconsistent herewith, are hereby repealed to the extent of such inconsistency.

Section 4. This Ordinance shall take effect immediately after final passage and publication in the manner provided by law.

 Mitchell Stern, Acting Borough Clerk

Introduced: September 14, 2020

Adopted: September 30, 2020

Name	Motion	Second	Aye	Nay	Absent	Abstain	Motion	Second	Aye	Nay	Absent	Abstain
Barnett			X									
Happer	X		X									
Horst					X							
Korman			X									
Lane			X									
Menard			X									
Shepherd		X	X									

**BOROUGH OF MOUNTAIN LAKES
MORRIS COUNTY, NEW JERSEY**

ORDINANCE 3-20

**“AN ORDINANCE AMENDING CHAPTERS 40 AND 245 OF THE REVISED GENERAL ORDINANCES OF
THE BOROUGH OF MOUNTAIN LAKES”**

BE IT ORDAINED by the Borough Council of the Borough of Mountain Lakes, in the County of Morris and State of New Jersey, as follows:

Section 1. Chapter 40, “Land Use Administration,” Section 40-3, “Definitions,” of the Revised General Ordinances of the Borough of Mountain Lakes, shall be amended by the inclusion of the following additional definitions:

ADULT DAY CARE FACILITY

A nonresidential facility typically operating several hours per day, providing meals, social and recreational activities, transportation, personal care and counseling under general supervision for elderly persons and/or persons with disabilities.

EDUCATIONAL PLAY CENTER

A multipurpose children’s activity space devoted to learning, recreation and entertainment, which may offer classes and organized events such as birthday parties, and which may include accessory retail sales.

HEALTH AND FITNESS FACILITY

An establishment open to the public on a membership basis which provides facilities for personal training, aerobic exercise, running and jogging, weight training and strength conditioning, game courts, swimming facilities and exercise equipment and which may include accessory sauna/steam rooms, showers, lockers, spa treatments including massage, snack/juice bars and accessory retail sales of related sports apparel and equipment.

INDOOR COMMERCIAL RECREATION USE

An establishment where entertainment or recreation services are provided to the general public, and for which user fees are charged. Uses include, but are not limited to roller and ice skating rink, indoor climbing gyms, gymnastics centers, bowling alleys, arcades, escape rooms, billiards and virtual experience centers.

INSTRUCTIONAL SCHOOLS AND STUDIOS

Establishments which provide classes and workshops for dance, yoga, pilates, culinary arts and crafts, music, martial arts, academics and athletics.

PET CARE AND GROOMING FACILITY

An establishment that provides temporary boarding, training, grooming and care for dogs, cats or other domestic animals or household pets. This shall not include overnight boarding of pets, the breeding or sale of animals or veterinary services customarily offered at an animal clinic or hospital.

SATELLITE DRY CLEANING ESTABLISHMENT

An establishment where clothes and other types of fabrics are dropped off and picked up before and after dry cleaning, which process is conducted entirely off-premises.

SELF-STORAGE FACILITY

A building or group of buildings containing individual and private storage spaces of varying sizes available for lease or rent for varying periods of time and where the occupants have access to the facility only to store and remove their personal property.

Section 2. Chapter 245, "Zoning," Section 245-11, "Business Zone B," of the Revised General Ordinances of the Borough of Mountain Lakes, shall be amended to read in its entirety as follows:

- A.** Permitted principal uses are the same as in § **245-10A** ("Business Zone A") except that automobile service stations, dry cleaning establishments, motels, hotels and businesses using hazardous substances shall be excluded. In addition, the following principal uses shall be permitted:
- (1) Adult day care facility
 - (2) Educational play center
 - (3) Health and fitness facility
 - (4) Indoor commercial recreation use
 - (5) Instructional schools and studios
 - (6) Pet care and grooming facility
 - (7) Satellite dry cleaning establishment
- B.** Permitted accessory uses. Same as § **245-10B**. In addition, electric car charging stations shall be permitted as an accessory use.
- C.** Conditional uses.
- (1) Sexually oriented establishments in accordance with the following standards:
 - (a) The establishment shall be located at least 500 feet from the boundary of any residential zone within the Borough of Mountain Lakes and from any existing and/or approved but not yet existing house of worship, day-care center and school.
 - (b) In order to avoid a concentration of sexually oriented establishments, such establishment shall be located at least 1,000 feet from any other existing and/or approved but not yet existing sexually oriented establishment.
 - (c) The foregoing distance limitations shall be measured by a straight line drawn from the nearest point of the lot boundary on which the proposed use is to be located to the nearest point of the lot or district boundary, as the case may be, of the other use or district, and those uses, district boundary lines and dimensions shall be indicated on the submitted site plan.

- (d) The building housing the sexually oriented establishment shall have a minimum front setback of 75 feet and a minimum side or rear setback of 25 feet. The building and associated parking area shall be surrounded by a perimeter landscape buffer of at least 20 feet in width, consisting of landscape plantings designed and installed to the satisfaction of the Planning Board.
 - (e) Every sexually oriented establishment shall be located in a single-occupant, freestanding building.
 - (f) No sexually oriented establishment shall be permitted in a building having a capacity to accommodate 50 or more occupants.
 - (g) Off-street parking requirements for a sexually oriented establishment are one space for every 200 square feet of gross floor area or portion thereof, plus one space for each employee, provided that a minimum of 10 parking spaces shall be provided.
 - (h) All other requirements of the Land Use Ordinance, including but not limited to the business zone requirements, shall be met.
- (2) Hotels in accordance with the following standards:
- (a) The minimum lot size shall be 2.5 acres.
 - (b) The maximum building height shall be three stories/40 feet for a flat-roof building and three stories/45 feet for pitched roof building.
 - (c) The minimum lot frontage along Route 46 shall be 200 feet.
 - (d) Ancillary facilities/amenities, including a restaurant/lounge, meeting facilities and ballroom space(s), shall be permitted.
 - (e) The architectural design shall incorporate the following: vertical and horizontal articulation of the building facades; changes in façade plane, size and rhythm of window spacing and surface material and pattern; and a contrasting roofline.
- (3) Automobile service stations in accordance with the following standards:
- (a) No painting repair work on cars shall be permitted or other work of the type usually conducted by and at automobile body shops in repairing damaged motor vehicles.
 - (b) A gasoline service station may also include a retail business in which case the minimum lot size shall be 1.5 acres.
 - (c) A minimum of one off-street parking space shall be provided for every 125 square feet of building floor area.
 - (d) All pumps, islands and canopies serving to protect customers while fueling shall be located a minimum of 40 feet from any street line and a minimum of 30 feet from any

other lot line. Canopies, pumps and islands shall be considered accessory structures and not a second principal structure.

- (e) All lifts, greasing racks and other similar equipment shall be within the building. The underground storage of petroleum products shall meet federal and state codes, as applicable, to protect the Borough's groundwater.
 - (f) The minimum lot frontage requirement shall be 200 feet.
 - (g) Motor vehicles may be parked upon the lot but only insofar as reasonably incident and accessory to the operation of an automotive service station and only in such a manner and location which neither interferes with ingress and egress to the premises nor creates any hazardous condition. No storage of motor vehicles, and no unsightly accumulation of vehicles or parts thereof, shall be permitted.
 - (h) A gasoline service station shall comply with Chapter 102, Environmental Factors; Soil Water and Trees, Article VI. Wellhead Protection Area Regulations, of the Revised General Ordinances of the Borough of Mountain Lakes.
- (4) Drive-in restaurants or restaurants with drive-through facilities where food or drink is served to customers in vehicles at a drive-through window in accordance with the following standards:
- (a) The pick-up window shall be located on the side or rear of the building to limit visibility from the primary road frontage.
 - (b) No driveway shall open upon a public street within 150 feet of an intersecting public street, measured from the intersection of the tangents of the adjacent curblines.
 - (c) One off-street parking space shall be provided for every two-seats.
- (5) Self-storage facilities in accordance with the following standards:
- (a) Self-storage facilities shall be at least 2 stories in height and no more than 3 stories in height and shall be designed architecturally to incorporate features typical of new multi-family residential or office building construction, including but not limited to façade articulation and materials treatment. The maximum height of a self-storage facility shall be 35 feet for a flat-roof building and 40 feet for a pitched roof building.
 - (b) The minimum frontage requirement shall be 200 feet.
 - (c) The only activities permitted in individual storage units shall be the rental of the unit and the pickup and deposit of goods and/or property in dead storage. Storage units shall not be used for the following activities:
 - [1] Residences, offices, workshops, studios, or hobby or rehearsal areas.
 - [2] Manufacturing, fabrication, or processing of goods; service or repair of vehicles, engines, appliances or other electrical equipment; or any other similar activities.

- [3] Conducting retail sales of any kind, including garage or estate sales or auctions, or any other commercial activity; provided that the operator of the self-storage unit may conduct a sale or otherwise liquidate the contents of any storage unit to satisfy and settle an account of unpaid rent or other charges, through public or private sales, in a manner provided by law.
- [4] Storage of flammable, perishable or hazardous materials or the keeping of animals.
- (d) The rental of trucks, trailers or moving equipment, as well as the installation of trailer hitches, shall be prohibited.
- (e) Sale of boxes or packing materials shall be permitted, but only if accessory to the self-storage facility.
- (f) Self-storage facilities shall not operate or allow tenant access between the hours of 12:00 midnight and 6:00a.m.
- (g) All goods and property in a self-storage facility shall be stored in an enclosed building. No outdoor storage of any kind, including but not limited to storage of boats, RVs, vehicles, trailers or similar vehicles, or storage in outdoor storage pods or shipping containers, shall be permitted.
- (h) All storage units above grade and all storage units visible from residential areas shall gain access from the interior of the building(s) only; no unit doors, loading bays, or docks may face or be visible from any adjacent residential areas.
- (i) Electrical service to storage units shall be for lighting and climate control only. No electrical outlets are permitted inside individual storage units. Lighting fixtures and switches shall be of a secure design that will not allow tapping such fixtures for other purposes.

Section 3. Chapter 245, "Zoning," Attachment 3, Schedule III, of the Revised General Ordinances of the Borough of Mountain Lakes, shall be amended to include the following additional parking requirements:

Land Use	Requirement
Adult care facility	1 space per 200 square feet of floor area
Education play center	1 space per 200 square feet of floor area
Health and fitness facility	1 space per 200 square feet of floor area
Indoor commercial recreation use	1 space per 200 square feet of floor area
Instructional schools and studios	1 space per 100 square feet of floor area
Pet care and grooming facility	1 space per 200 square feet of floor area
Self-storage facility	1 space per 200 square feet of office area, plus 1 space per 5,000 square feet of storage/warehouse area.

Section 4. If any section or provision of this Ordinance shall be held invalid in any Court of competent jurisdiction, the same shall not affect the other sections or provisions of this Ordinance, except so far as the section or provision so declared invalid shall be inseparable from the remainder or any portion thereof.

Section 5. All Ordinances or parts of Ordinances which are inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 6. This Ordinance shall take effect immediately after final passage and publication in the manner provided by law.

Mitchell Stern, Acting Borough Clerk

Introduced: September 14, 2020

Adopted: September 30, 2020

Name	Motion	Second	Aye	Nay	Absent	Abstain	Motion	Second	Aye	Nay	Absent	Abstain
Barnett	X		X									
Happer			X									
Horst					X							
Korman		X	X									
Lane			X									
Menard			X									
Shepherd			X									

Telephone 973-334-3131

Fax 973-402-5595

Borough of Mountain Lakes
Mountain Lakes, NJ 07046

September 24, 2020

TO: Borough Council
FROM: Cynthia Shaw, Planning Board Administrator

The Planning Board conducted a remote meeting on September 24, 2020 during which time it reviewed proposed Ordinance 03-20.

The Planning Board found Ordinance 03-20 to be consistent with the Master Plan.

**BOROUGH OF MOUNTAIN LAKES
COUNTY OF MORRIS, NJ**

RESOLUTION 139-20

“RESOLUTION AUTHORIZING THE PAYMENT OF BILLS”

WHEREAS, the Borough Manager has reviewed and approved purchase orders requested by the Department Heads; and

WHEREAS, the Finance Office has certified that funds are available in the proper account; and

WHEREAS, the Borough Treasurer has approved payment, upon certification from the Borough Department Heads that the goods and/or services have been rendered to the Borough.

NOW, THEREFORE, BE IT RESOLVED by the Borough Council of the Borough of Mountain Lakes, County of Morris, State of New Jersey, that the current bills, dated September 30, 2020 and on file and available for public inspection in the Office of the Treasurer and approved by him for payment, be paid.

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CERTIFICATION: I hereby certify the foregoing to be a true and correct copy of a resolution duly adopted by the Borough Council of Mountain Lakes, New Jersey, at a meeting held on September 30, 2020.

Mitchell Stern, Acting Municipal Clerk

Name	Motion	Second	Aye	Nay	Absent	Abstain
Barnett						
Happer						
Horst						
Korman						
Lane						
Menard						
Shepherd						

List of Bills - CLAIMS/CLEARING CHECKING ACCOUNT

Meeting Date: 09/28/2020 For bills from 09/10/2020 to 09/23/2020

Check#	Vendor	Description	Payment	Check Total
17738	2431 - ACCENTPDIR	PO 22159 SEWER DEPARTMENT - PUMPING STATION - BLA	640.00	640.00
17739	2426 - AGL WELDING SUPPLY CO.	PO 22155 DPW - EQUIPMENT & TOOLS - BLANKET 2020	75.79	75.79
17740	196 - ALLIED OIL	PO 22303 UNLEADED FUEL - BLANKET 2020	1,646.54	1,646.54
17741	189 - ANCHOR ACE HARDWARE	PO 21534 POLICE DEPT: ACCT # 001413 - 2020 BLANKE	45.95	45.95
17742	3957 - ATLANTIC COAST FIBERS, LLC	PO 21983 RECYCLING COSTS - BLANKET APRIL - DECE	1,390.26	1,390.26
17743	542 - CAIN & SONS FIRE EQUIPMENT, INC	PO 22462 POLICE: FIRE EXTINGUISHER RECHARGE	148.50	148.50
17744	414 - CAPITAL SUPPLY COMPANY	PO 22534 BORO HALL JANITORIAL SUPPLIES - ORDER# 9	341.20	341.20
17745	2775 - CAPITOL SUPPLY CONSTRUC PROD, INC	PO 22158 WATER DEPARTMENT - EQUIPMENT & TOOLS - B	341.82	341.82
17746	2147 - CCTMO LLC	PO 22440 SEPTEMBER 2020 - CELL TOWER REIMBURSEMEN	1,885.00	1,885.00
17747	4135 - CGP&H, LLC	PO 22510 MAY ADMIN & APT PROF SERVICES	792.00	
		PO 22511 JUNE/JULY ADMIN & APT PROF SERVICES	720.00	1,512.00
17748	2196 - CHRISTINA WHITAKER	PO 21617 2020 QUATERLY HEALTH BENEFITS REIMBURSEM	471.39	471.39
17749	4063 - CIT-E-NET	PO 22548 2020 ONLINE CREDIT CARD FEES	500.00	
		PO 22548 2020 ONLINE CREDIT CARD FEES	500.00	
		PO 22548 2020 ONLINE CREDIT CARD FEES	1,000.00	2,000.00
17750	2396 - COUNTY WELDING SUPPLY CO.	PO 21981 STREETS & ROADS - EQUIPMENT & TOOLS BLAN	34.00	34.00
17751	506 - DAN COMO & SONS, INC	PO 22157 DPW - LEAF AND BRUSH REMOVAL - BLANKET	1,120.00	
		PO 22524 DPW - LEAF AND BRUSH REMOVAL - AUGUST 2	4,480.00	5,600.00
17752	2971 - DIRECT ENERGY BUSINESS	PO 22549 ACCT#: 614054 - 936656 - AUGUST 2020	73.96	73.96
17753	657 - DRAEGER, INC.	PO 21532 POLICE: EQUIPMENT MAINTENANCE -2020 BLA	190.86	190.86
17754	3276 - EDWARD J. ALBERT & SON, INC.	PO 22503 WATER DEPARTMENT - WELL REPAIRS & MAINTEN	240.00	
		PO 22503 WATER DEPARTMENT - WELL REPAIRS & MAINTEN	600.00	840.00
17755	3715 - FED EX	PO 22520 WATER OPERATING - POSTAGE	23.43	23.43
17756	3109 - FERRIERO ENGINEERING, INC	PO 22468 PROJ ID: 12ML106 - SUNSET LAKE DAM - JUL	96.38	
		PO 22500 PROJECT NO. B132 L1- GRUNDENS POND - FEB	64.25	
		PO 22501 PROJ ID: 12ML106 - FEBRUARY 2020 PROFESS	643.68	804.31
17757	769 - FOREST LUMBER	PO 22425 STREETS & ROADS - DEPARTMENT SUPPLIES -	18.40	18.40
17758	814 - GARDEN STATE HIGHWAY PRODUCTS	PO 22390 STREETS & ROADS - SIGNS	666.75	
		PO 22448 RECREATION: LIFEGUARD SIGNS	230.00	896.75
17759	3049 - GENERAL CODE, LLC	PO 21997 CLERK: SUPPLEMENT NO. 21- CUST M01514	775.00	775.00
17760	503 - HERBERT J. COHRS	PO 21618 2020 QUATERLY HEALTH BENEFITS REIMBURSE	1,295.73	1,295.73
17761	911 - HOME DEPOT CREDIT SERVICES	PO 22166 STREETS & ROADS/ WATER DEPT. - TOOLS & E	251.84	
		PO 22166 STREETS & ROADS/ WATER DEPT. - TOOLS & E	42.66	294.50
17762	859 - JCP&L	PO 22496 ACCT#100 050 702 156 - BILL PRD: 7/28 -	4.69	
		PO 22527 ACCT#100 076 421 971/BILL PRD: 8/06 -9/0	132.53	
		PO 22528 MAST ACCT# 200 000 021 275 / BILL DATE:	5,028.21	
		PO 22529 M/A #200 000 054 011/ BILL DATE: SEPT 4,	523.57	5,689.00
17763	859 - JCP&L	PO 22531 M/A #200 000 053 658 / BILL DATE: 9/4/20	3,060.14	
		PO 22532 MASTER ACCT#200 000 574 000/ BILL DATE:	50.00	
		PO 22533 M/A #200 000 020 764: BILL DATE: SEPT 10	213.65	3,323.79
17764	1074 - JW PIERSON CO.	PO 21980 DPW - DIESEL FUEL - BLANKET 2020	1,755.47	1,755.47
17765	1082 - KIWANIS AMBULANCE SERVICE	PO 22128 2020 KIWANIS AMBULANCE SERVICE 2ND-4TH Q	3,750.00	3,750.00
17766	1438 - MAIN POOL & CHEMICAL COMPANY	PO 21954 WATER DEPARTMENT - TREATMENT OF WELLS -	400.50	400.50
17767	3303 - MCLOM	PO 22504 ADMIN: MC LEAGUE SEMINAR - MITCHELL STER	50.00	50.00
17768	1338 - MGL PRINTING SOLUTIONS, LLC	PO 22463 TAX COLLECTOR: SUPPLIES	271.50	271.50
17769	1295 - MORRIS CTY MUNICIPAL UTILITIES	PO 22512 JULY/AUGUST 2020 - SOLID WASTE DISPOSAL	22,060.74	22,060.74
17770	1311 - MORRIS CTY TREASURER	PO 22127 MORRIS COUNTY COMMUNICAITONS DISPATCH SE	26,547.42	26,547.42
17771	1394 - MTN. LAKES PUBLIC LIBRARY	PO 21877 2020 MTN LAKES PUBLIC LIBRARY AID - BLAN	24,834.58	24,834.58
17772	1472 - MURPHY MCKEON P.C.	PO 22530 AUGUST 2020 LEGAL SERVICES - TAX APPEALS	585.00	585.00
17773	1435 - NAZZARENO MOSCARINI	PO 21619 2020 QUATERLY HEALTH BENEFITS REIMBURSE	647.40	647.40
17774	3367 - NEW JERSEY EZ PASS	PO 21537 POLICE: TOLLS - ACCT# 2000 1214 1640 8 -	1.00	1.00
17775	4045 - NEW JERSEY FIRE EQUIPMENT, LLC	PO 22526 FIRE: HYRDO REFILLS - STORM ISAIAS	65.95	65.95
17776	1553 - NEW JERSEY NATURAL GAS	PO 22536 AUG - SEPT 2020 SERVICE	927.78	927.78
17777	2595 - NORTH JERSEY MUNICIPAL EMPLOYEE	PO 22553 OCTOBER 2020 DENTAL PREMIUMS - GROUP 162	2,739.00	2,739.00
17778	3659 - OPTIMUM	PO 21964 BORO INTERNET SERVICES ACCT# 07876-58071	140.55	140.55
17779	3113 - PHILLIPS PREISS GRYGIEL LEHENY HUGH	PO 22483 JULY 2020 PROFESSIONAL SERVICES - COAH	310.00	
		PO 22484 JULY 2020 PROFESSIONAL SERVICES - EDAC	1,870.00	2,180.00
17780	4151 - PITNEY BOWES, INC	PO 22495 POSTAGE MACHINE: INK/TAPE	150.08	150.08
17781	1714 - POWER PLACE, INC.	PO 22465 STREETS & ROADS - EQUIPMENT	479.99	479.99
17782	3890 - RDC DESIGN GROUP, LLC	PO 22498 2020 CONTRACT AGREEMENT - WEB MAINTENANC	3,060.00	3,060.00
17783	1734 - READYREFRESH BY NESTLE	PO 21569 ACCT# 0016496903 - 2020 BLANKET	73.83	73.83
17784	3990 - RICH TREE SERVICE, INC.	PO 22450 STORM RECOVERY - STORM ISAIAS - TREE REM	900.00	
		PO 22514 STORM RECOVERY - ISAIAS - 12 MAPLE WAY P	375.00	1,275.00
17785	2397 - ROCKAWAY AUTO RESOURCES, LLC	PO 22058 DPW & POLICE DEPARTMENT VEHICLE REPAIRS	357.57	
		PO 22515 JULY/AUGUST VEHICLE REPAIRS - DPW	875.58	1,233.15
17786	2397 - ROCKAWAY AUTO RESOURCES, LLC	PO 22517 VEHICLE REPAIRS - FIRE DEPARTMENT	301.65	301.65
17787	1948 - SHEAFFER SUPPLY, INC.	PO 21489 ISLAND BEACH - TOOLS - BLANKET 2020	196.58	
		PO 22458 WATER DEPARTMENT - EQUIPMENT & TOOLS - B	329.11	525.69
17788	2774 - STAPLES CONTRACT & COMMERCIAL, LLC	PO 21530 POLICE: OFFICE SUPPLIET - 2020 BLANKET	229.25	

List of Bills - CLAIMS/CLEARING CHECKING ACCOUNT

Meeting Date: 09/28/2020 For bills from 09/10/2020 to 09/23/2020

Check#	Vendor	Description	Payment	Check Total
		PO 22454 DPW/TAX: ORDER# 7313161618	519.23	
		PO 22485 ORDER# 7313596351	27.20	775.68
17789	1943 - STRUCTURAL STONE CO., INC.	PO 22476 BIRCHWOOD BEACH - RIVER ROCK - BLANKET	237.00	237.00
17790	1981 - SUBURBAN DISPOSAL, INC	PO 21984 SOLID WASTE/RECYCLING COLLECTION - BLANK	35,699.99	35,699.99
17791	3861 - SYNCB/AMAZON	PO 22369 POLICE: ORDER#113-0519585-9233812	32.89	
		PO 22374 DPW ORDER# 113-5731785-8433005 & 113-943	721.69	
		PO 22375 ADMIN: ORDER# 113-6667021-7809041- COV	617.94	
		PO 22429 DPW ORDER# 113-4511218-5697867	58.00	1,430.52
17792	3903 - TCF EQUIPMENT FINANCE	PO 21883 POLICE CAR LEASE / CUST# 730289 - 2020 B	2,247.19	2,247.19
17793	3778 - TCTA OF NJ	PO 22537 FINANCE: VIRTUAL WEBINAR OCT 8, 2020	25.00	
		PO 22540 TAX COLLECTOR: VIRTUAL WEBINAR OCT 8, 20	25.00	50.00
17794	253 - THOMAS BARBATO	PO 21620 2020 QUARTERLY HEALTH BENEFITS REIMBURSE	566.26	566.26
17795	1424 - TOWNSHIP OF MONTVILLE	PO 22438 3Q2020 ANIMAL ACTIVITY CHARGE	2,791.00	2,791.00
17796	1536 - TREAS, STATE OF NJ - D.O.H.	PO 22550 AUGUST 2020 DOG LICENSING FEE	4.20	4.20
17797	1736 - TWP OF PARSIPPANY - TROY HILLS	PO 21890 2020 SEWER MAINTENANCE CHARGES - BLANKET	39,166.67	39,166.67
17798	1062 - UNITED SITE SERVICES	PO 21942 APRIL - DECEMBER 2020 BLANKET - CUST# 14	358.39	358.39
17799	3829 - UNIVERSITY PRODUCTS, INC	PO 22321 HISTORIC PRESERVATION: ORDER# 22321	1,806.35	1,806.35
17800	2536 - UNUM LIFE INSURANCE COMPANY	PO 21968 STD/LTD / LIFE INSURANCE - 2020 BLANKET	2,741.33	2,741.33
17801	2749 - VERIZON	PO 21867 2020 INTERNET SVC: A/C# 853-478-043-0001	37.33	
		PO 21867 2020 INTERNET SVC: A/C# 853-478-043-0001	37.33	
		PO 21867 2020 INTERNET SVC: A/C# 853-478-043-0001	52.33	126.99
17802	2135 - VERIZON WIRELESS	PO 22535 ACCT# 882388054-00001 / AUG 05 - SEPT	704.73	704.73
17803	2228 - WATER WORKS SUPPLY CO, INC	PO 21650 WATER DEPARTMENT - EQUIPMENT & TOOLS - B	187.50	187.50
TOTAL				213,308.26

Summary By Account

ACCOUNT	DESCRIPTION	CURRENT YR	APPROP. YEAR	NON-BUDGETARY	CREDIT
01-201-20-100-020	GENERAL ADMIN - OTHER EXPENSE	6,398.33			
01-201-20-120-020	MUNICIPAL CLERK - OTHER EXP'S	782.89			
01-201-20-130-020	FINANCE - OTHER EXPENSES	25.00			
01-201-20-140-020	COMPUTER SERVICES	192.88			
01-201-20-145-020	TAX COLLECTOR - OTHER EXPENSES	394.18			
01-201-20-155-020	LEGAL SERVICES - OTHER EXPENSE	2,765.00			
01-201-20-165-020	ENGINEERING SERVICES	64.25			
01-201-23-220-020	GROUP INSURANCE PLANS-EMPLOYEE	8,461.11			
01-201-25-240-020	POLICE DEPT - OTHER EXPENSES	2,895.64			
01-201-25-250-020	INTERLOCAL SERVICES: MC DISPATCH - OE	26,547.42			
01-201-25-255-020	FIRE DEPT - OTHER EXPENSES	65.95			
01-201-25-260-020	VOL. AMBULANCE SQUAD CONTRIB	3,750.00			
01-201-26-290-020	STREETS & ROADS - OTHER EXP.	2,728.01			
01-201-26-305-020	SOLID WASTE - OTHER EXPENSES	64,087.51			
01-201-26-306-020	Recycling Tax	663.48			
01-201-26-310-020	BLDG & GROUNDS - MUNIC BLDG	415.03			
01-201-26-315-020	VEHICLE REPAIRS & MAINTENANCE	1,534.80			
01-201-28-370-020	PARKS & PLAYGROUNDS OTHER EXP.	11.00			
01-201-28-375-020	MAINT OF PARKS (BEACHES/LAKES)	588.39			
01-201-29-390-020	AID TO PUBLIC LIBRARY	24,834.58			
01-201-31-435-020	ELECTRICITY - ALL DEPARTMENTS	3,934.58			
01-201-31-437-020	NATURAL GAS	1,001.74			
01-201-31-440-020	TELECOMMUNICATIONS	704.73			
01-201-31-447-020	PETROLEUM PRODUCTS	3,402.01			
01-260-05-100	DUE TO CLEARING			0.00	158,133.51
01-290-55-000-005	DUE TO T-MOBILE - SPRINT FEES			1,885.00	
TOTALS FOR	Current Fund	156,248.51	0.00	1,885.00	158,133.51
02-200-40-700-380	Historic Preservation Grant			1,806.35	
02-260-05-100	DUE TO CLEARING			0.00	1,806.35
TOTALS FOR	FEDERAL AND STATE GRANTS	0.00	0.00	1,806.35	1,806.35

Summary By Account

ACCOUNT	DESCRIPTION	CURRENT YR	APPROP. YEAR	NON-BUDGETARY	CREDIT
04-215-55-982-000	2016 CAPITAL ORDINANCE 06-16			433.58	
04-215-55-983-000	2017 CAPITAL ORDINANCE 05-17			643.68	
04-215-55-985-000	2019 CAPITAL ORDINANCE 2-19			96.38	
04-260-05-100	DUE TO CLEARING			0.00	1,173.64
TOTALS FOR	General Capital	0.00	0.00	1,173.64	1,173.64
05-201-55-520-520	Water Operating - Other Expenses	7,130.56			
05-260-05-100	DUE TO CLEARING			0.00	7,130.56
TOTALS FOR	Water Operating	7,130.56	0.00	0.00	7,130.56
07-201-55-520-520	Sewer Operating - Other Expenses	40,394.00			
07-260-05-100	DUE TO CLEARING			0.00	40,394.00
TOTALS FOR	Sewer Operating	40,394.00	0.00	0.00	40,394.00
13-260-05-100	DUE TO CLEARING			0.00	2,795.20
13-286-56-000-000	RESERVE - ANIMAL LICENSE FUND			2,791.00	
13-295-56-000-000	DOG LICENSE FEES-DUE STATE NJ			4.20	
TOTALS FOR	Animal Trust	0.00	0.00	2,795.20	2,795.20
18-260-05-100	Due to Clearing			0.00	1,875.00
18-300-70-000-208	RESERVE FOR STORM RECOVERY			1,875.00	
TOTALS FOR	Other Trust	0.00	0.00	1,875.00	1,875.00

Total to be paid from Fund 01 Current Fund	158,133.51
Total to be paid from Fund 02 FEDERAL AND STATE GRANTS	1,806.35
Total to be paid from Fund 04 General Capital	1,173.64
Total to be paid from Fund 05 Water Operating	7,130.56
Total to be paid from Fund 07 Sewer Operating	40,394.00
Total to be paid from Fund 13 Animal Trust	2,795.20
Total to be paid from Fund 18 Other Trust	1,875.00
TOTALS	213,308.26

158,133.51 - minus 875 VOID CHECK 17698 = \$158,133.51

M. Smith

158,133.51 +
75.00 =
158,058.51*

Checks Previously Disbursed

17737 SCOTT PAYSEUR Multiple: 578.00 9/17/2020

578.00

Totals by fund	Previous Checks/Voids	Current Payments	Total
Fund 01 Current Fund		158,133.51	158,133.51
Fund 02 FEDERAL AND STATE GRANTS		1,806.35	1,806.35
Fund 04 General Capital		1,173.64	1,173.64
Fund 05 Water Operating	289.00	7,130.56	7,419.56
Fund 07 Sewer Operating	289.00	40,394.00	40,683.00
Fund 13 Animal Trust		2,795.20	2,795.20
Fund 18 Other Trust		1,875.00	1,875.00
BILLS LIST TOTALS	578.00	213,308.26	213,886.26

VOID # 220420

213,308.26 +
75.00 =
213,233.26*

TOTAL Transfer

ACCOUNT	DESCRIPTION	CURRENT YR	APPROP. YEAR	NON-BUDGETARY	CREDIT
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List of Bills - (1210101001001) PAYROLL AGENCY-CASH-PROVIDENT BANK

Payroll Agency Account

Meeting Date: 09/28/2020 For bills from 09/10/2020 to 09/23/2020

Check#	Vendor	Description	Payment	Check Total
5029	1392 - MTN. LAKES POLICE ASSOCIATION	PO 22552 3RD QTR PBA UNON DUES	780.00	780.00
	TOTAL			780.00

Summary By Account

ACCOUNT	DESCRIPTION	CURRENT YR	APPROP. YEAR	NON-BUDGETARY	CREDIT
12-101-01-001-001	PAYROLL AGENCY-CASH-PROVIDENT BANK			0.00	780.00
12-200-00-000-800	POLICE UNION DUES			780.00	
TOTALS FOR	Payroll Agency Account	0.00	0.00	780.00	780.00

Total to be paid from Fund 12 Payroll Agency Account

780.00

780.00

**List of Bills - (3310101001001) CASH - RECREATION
Recreation Trust**

Meeting Date: 09/28/2020 For bills from 09/10/2020 to 09/23/2020

Check#	Vendor	Description	Payment	Check Total
5360	3834 - BOATHOUSE SPORTS LTD	PO 22486 TRACK: 2020 JACKETS	234.95	234.95
5361	4164 - MADSPORTSSTUFF, LLC	PO 22508 2020 Field Hockey Socks Replacement	407.49	407.49
5362	3829 - UNIVERSITY PRODUCTS, INC	PO 22321 HISTORIC PRESERVATION: ORDER# 22321	63.99	63.99
TOTAL				706.43

Summary By Account

ACCOUNT	DESCRIPTION	CURRENT YR	APPROP. YEAR	NON-BUDGETARY	CREDIT
33-101-01-001-001	CASH - RECREATION			0.00	706.43
33-600-00-090-000	Recreation Trust Reserves			706.43	
TOTALS FOR	Recreation Trust	0.00	0.00	706.43	706.43

Total to be paid from Fund 33 Recreation Trust

706.43

706.43

**BOROUGH OF MOUNTAIN LAKES
COUNTY OF MORRIS, NJ**

RESOLUTION 140-20

“RESOLUTION AUTHORIZING 2020 MUNICIPAL EMPLOYEES’ SALARY”

WHEREAS, the Borough Council adopted Ordinance #5-18 setting the salary ranges for various Borough positions;
and

WHEREAS, the Borough Council of the Borough of Mountain Lakes desires to set the specific salaries for full-time and permanent part-time non-contract Borough employees for the year **2020**.

NOW, THEREFORE, BE IT RESOLVED that the following salaries are effective **January 1, 2020**, and are to be pro-rated where specific dates are indicated:

BE IT FURTHER RESOLVED that the Borough Manager is authorized to set the salary level according to the salary ranges in Ordinance #5-18 for all non-permanent part-time and seasonal employees.

<i>TITLE</i>	<i>2019</i>	<i>2020</i>	<i>\$ CHANGE</i>
General Administrative - Floater	N/A	\$5,000	

XX

CERTIFICATION: I hereby certify the foregoing to be a true and correct copy of a resolution duly adopted by the Borough Council of Mountain Lakes, New Jersey, at a meeting held on September 30, 2020.

Mitchell Stern, Acting Municipal Clerk

Name	Motion	Second	Aye	Nay	Absent	Abstain
Barnett						
Happer						
Horst						
Korman						
Lane						
Menard						
Shepherd						



BOROUGH OF MOUNTAIN LAKES

LISTED IN NATIONAL AND STATE REGISTERS OF HISTORIC PLACES

CONSTRUCTION OFFICE MONTHLY ACTIVITY REPORT

AUGUST 2020

ADMINISTRATIVE SUMMARY

Homeowners and contractors seem to be adapting to the "new normal" way of doing business during the Covid episode. Access to residences is becoming easier for the inspection staff with occupants vacating the areas needed during the visit. Contractors are now in the routine of submitting applications either by mail or the municipal drop-box. Unfortunately, the lack of personal interaction means staff needs to take additional steps to perform their functions. This too, hopefully will pass.

The number of application submissions is steadily climbing with some additions and larger alteration projects being submitted. If the trend continues, we should see at least a partial recovery from the first and second quarter downturns.

OPRA requests increased with an increase in the number of houses put on the market for sale. Both sellers and buyers are anxious to close out historic permits from past work. been submitted and are going through the review process.

The floor structures are in at the Sunrise at Mountain Lakes project. Exterior wall framing continues and building utility work has begun.



Mountain Lakes Borough
 400 BOULEVARD
 MOUNTAIN LAKES, NJ 07046

Construction Permit Activity Report

8/1/2020 -> 8/31/2020

Summary

	Cost:	Count:			
New:	\$0.00	0	Cubic Footage:	0 Cu.ft	Permits Issued: 38
Addition:	\$0.00	0	Square Footage:	0 Sq.ft	Updates Issued: 4
Alteration:	\$1,165,615.00	39			
Demolition:	\$2,500.00	2			
Total:	\$1,168,115.00	41			

Permits	Count	Permit Fees	Admin Fees	Total	Inspections	Passed	Failed	Other
Building:	12	\$11,340.00	\$0.00	\$11,340.00	B	11	10 %90.9	1 %9.1
Plumbing:	11	\$1,715.00	\$0.00	\$1,715.00	P	8	6 %75	2 %25
Electrical:	24	\$2,544.00	\$0.00	\$2,544.00	E	29	20 %69	5 %17.2
Fire:	7	\$1,092.00	\$0.00	\$1,092.00	F	7	4 %57.1	3 %42.9
Elevator:	1	\$0.00	\$0.00	\$0.00	V	0	0 %	0 %
Mechanical:	18	\$1,745.00	\$0.00	\$1,745.00	M	12	10 %83.3	2 %16.7
	73	\$18,436.00	\$0.00	\$18,436.00		67	50	13
DCA Training:	0		0		(Note: Does not include result of none)			
DCA State:	37		2154	\$5,470.00				
DCA Minimum:	4		4					
	41		\$2,158					

Variations	Total	Paid	Certificates	Issued Total	Paid Total
Building	0	0	CA	11	\$0.00
Plumbing	0	0	CCO	0	\$0.00
Electrical	0	0	CO	3	\$300.00
Fire	0	0	CC	0	\$0.00
Mechanical	0	0	TCO	0	\$0.00
Elevator	0	0	TCC	0	\$0.00
Total:	\$0.00	\$0.00	Total:	14	\$300.00

NOTE:
 Information gathered is based on the Issue date for that item, ie permit issue date, certificate issue date.
 This will cause discrepancies between the payments section which uses Payment date. Example you took in money for a CO but the CO has not been issued yet.

Permit Subcode Exempted (State) Fees			Permit Subcode Waived (Local) Fees		
	Record Count	Total Exempted		Record Count	Total Waived
Building	0	\$0	Building	0	\$0
Plumbing	0	\$0	Plumbing	0	\$0
Electrical	0	\$0	Electrical	0	\$0
Fire	0	\$0	Fire	0	\$0
Mechanical	0	\$0	Mechanical	0	\$0
Elevator	0	\$0	Elevator	0	\$0
Total:		\$0	Total:		\$0

	Record Count	Total Exempted	Violations	Fines	Paid
DCA Fees	1	\$1	Issued	0	\$0.00

Payments (Based on Payment Date)	
Permit (81)	\$21,791.00
NON-UCC (0)	\$0.00
Variation Payments	\$0.00
Penalty (0)	\$0.00
Inspection Payments	\$0.00
Ongoing Invoice	\$0.00
Test Payments	\$0.00
Other Payments	\$0.00
Grand Total	\$21,791.00



BOROUGH OF MOUNTAIN LAKES

LISTED IN NATIONAL AND STATE REGISTERS OF HISTORIC PLACES

CONSTRUCTION OFFICE SUMMARY OF FEES COLLECTED

PERIOD	2018 COLLECTED	YEAR TO DATE	COMMENTS	AMOUNT
JANUARY	10,958.00	10,958.00		
FEBRUARY	4,025.00	14,983.00		
MARCH	3,342.00	18,325.00		
APRIL	8,802.00	27,127.00		
MAY	18,270.00	45,397.00		
JUNE	7,805.00	53,202.00		
JULY	11,359.00	64,561.00		
AUGUST	9,355.00	73,916.00		
SEPTEMBER	9,504.00	83,420.00		
OCTOBER	23,654.00	107,074.00	Enclave fees	13,888.00
NOVEMBER	17,709.00	124,783.00		
DECEMBER	34,113.00	158,896.00	Enclave fees	23,496.00

PERIOD	2019 COLLECTED	YEAR TO DATE	COMMENTS	AMOUNT
JANUARY	12,338.00	12,338.00		
FEBRUARY	4,042.00	16,380.00		
MARCH	23,677.00	40,057.00		
APRIL	8,056.00	48,113.00		
MAY	23,363.00	71,476.00		
JUNE	26,134.00	97,610.00		
JULY	16,904.00	114,514.00	Enclave fees	10,592.00
AUGUST	7,245.00	121,759.00		
SEPTEMBER	8,425.00	130,184.00		
OCTOBER	7,403.00	137,587.00		
NOVEMBER	14,035.00	151,622.00		
DECEMBER	7,618.00	159,240.00		

PERIOD	2020 COLLECTED	YEAR TO DATE	COMMENTS	AMOUNT
JANUARY	106,301.00	106,301.00	Enclave and Sunrise fees	98,243.00
FEBRUARY	5,520.00	111,821.00		
MARCH	13,491.00	125,312.00		
APRIL	2,171.00	127,483.00		
MAY	2,476.00	129,959.00		
JUNE	13,410.00	143,369.00		
JULY	3,900.00	147,269.00		
AUGUST	21,791.00	169,060.00		
SEPTEMBER				
OCTOBER				
NOVEMBER				
DECEMBER				

BOROUGH OF MOUNTAIN LAKES
DEPARTMENT OF PUBLIC WORKS
Department Activity
August 2020

IN HOUSE

All regular work details including building maintenance, vehicle repairs and maintenance, trash and recycling collection, trash bag deliveries, street sweeping, lawn maintenance, leaf and brush disposal, daily maintenance

Additionally:

Streets & Roads Department:

- DPW
 - Fuel tanks painted
 - Basins cleaned in anticipation of storm
 - Drainpipe removed on Melrose
 - Shade trees watered
 - No dumping signs installed
 - Weed removal from curbs and sidewalks

- Beaches and Lakes
 - Ladder at Birchwood dock replaced
 - Tree removed from Island Beach
 - Picnic tables returned to Island Beach

- Storm Clean up
 - Removed up and chipped curbside storm debris throughout entire town from 8/4 to present
 - Tree safety inspections throughout town
 - Birchwood Trails inspected for hazardous trees and limbs resulting from storm
 - Cleared downed trees after storm

- Water Department
 - Temporary generator installed at Well 5
 - Glen Rd storm drain vectored
 - Speedway water and sewer shut off

Vacation/Sick Time:

- 130 Vacation Hours; 16 Sick Hours



BOROUGH OF MOUNTAIN LAKES

LISTED IN NATIONAL AND STATE REGISTERS OF HISTORIC PLACES

Bill Bender
Fire Chief
info@mlvfd.com

400 Boulevard
Mountain Lakes, NJ 07046
P -973-394-1094

TO: Borough Manager Mitchell Stern
DATE: 9/14/20
SUBJECT: August 2020 Report

The following lists the activity for the Mountain Lakes Volunteer Fire Department during the month of August 2020:

FIRE CALLS (19)

LOCATION	DATE	TIME	DESCRIPTION
320 Morris Ave	8/1	7:48 PM	Odor of Natural Gas- Unfounded. NJNG Notified as a pre caution
15 East Shore Rd	8/4	12:10 PM	Tree and wires down
302 Morris Ave	8/4	12:47 PM	Tree fell on house. No injuries
249 Morris Ave	8/4	1:18 PM	Tree Fell on house. No Injuries
50 Dartmouth Rd	8/4	1:54 PM	Tree fell on car. No Injuries
15 Tower Hill Rd	8/4	2:26 PM	Report of woman trapped in Vehicle with live wires on the car. Vehicle gone upon arrival
46 Dartmouth Rd	8/4	3:20 PM	CO Alarm- Low Battery
16 Rainbow Tr	8/4	3:40 PM	Report of Odor of gas outside of the Home near a generator. NJNG responded House check with no readings. Advised Owner to contact service for generator
16 Rainbow Trail	8/5	4:53 PM	Wires burning against a tree.
22 Woodland Ave	8/6	9:45 AM	CO Alarm- Malfunction
Wildwood School	8/6	2:05 PM	Fire Alarm- Set off by contractor
16 Rainbow Tr	8/7	6:11 AM	Wires burning. JCP&L Notified
12 N. Briarcliff Rd	8/12	5:48 PM	Tree/Wires down
MLHS	8/16	9:34 AM	Fire Alarm- Malfunction
MLHS	8/25	7:32 PM	Fire Alarm-Malfunction
15 N. Crane	8/28	2:12 PM	Fire Alarm- Malfunction
420 Blvd	8/28	6:18 PM	Car Fire
11 Oak Lane	8/28	8:21 PM	Fire in the stove.
185 Morris Ave	8/29	7:27 PM	Smoke Condition.

Drills- No drills held during August due to Covid 19

Meetings: (1)

Location	Date	Time	Description
Remote	8/25	8:00 PM	Monthly meeting via Zoom

Driver Training (2)

Location	Date	Time	Description
Borough	8/6	5:00 PM	Driver Training. Engine 2
Borough	8/28	2:30 pm	Driver pump training Engine 2

MANHOURS 185

Borough of Mountain Lakes

BOARD OF HEALTH

400 BOULEVARD • MOUNTAIN LAKES, NEW JERSEY 07046
Telephone: (973) 334-3131 • Fax: (973) 402-5595



August 2020

Health Department Report

The purpose of this monthly Summary is to provide information regarding the activities of the staff during the past month. Inspection reports for environmental reviewed and submitted.

Planning for concerns related to exposure for opening of businesses, municipalities and schools which have multiple changes per week.

Coordinated with Health Officers in Morris County and NJDOH staff to develop a cohesive understanding related to school openings.

Reviewed new Executive Directive from NJDOH for indoor restaurant service. Guidance to be provided for restaurants to maximize occupancy while meeting the intent and guidance of the ED from the Commissioner of Health- NJDOH.

The Nursing Department continues to complete COVID cases on COMM CARE and CDRSS with reduced cases occurring compared to just two months ago. Nurses and Inspectors as well as Social Workers and other staff have been trained on the new State COMM CARE system. Its purpose is to be prepared to efficiently contact trace and investigate if a surge occurs over the next several months as schools open.

Planning regarding for flu clinics. Vaccine ordered in the spring. The first shipment arriving first week of September- dates to be determined for October.

Meetings attended either Zoom, in person or by conference call with NJDOH, Health Officers and Superintendents, BC etc.

Re- accreditation components were worked on especially as it related to measures with an emphasis on COVID19 after action review.

Activities

- Participated in New Jersey state Department of Health conference calls on a regular basis
- Obtain guidance from NJDOH regarding update of guidance and best practices
- Review CDC information
- Developing guidance protocols related to food establishments for opening. Discussion with food establishment owners regarding responsibilities and priorities pertaining to customers, sanitation and proper spacing of tables.
- Provide guidance to police, fire, EMS and Superintendents as needed on a regular basis (safe use of building a best practice to keep employees safe from coronavirus transfer)
- Provide information to Township Administrator, Mayor and other leadership within the community

- Review most frequently asked questions with staff to answer COVID questions from the public.
- Review retail food establishment placard ordinance and research beauty barber ordinance.
- Answer ongoing questions and concerns from municipal and school leadership, and residents.
- Continued to deliver a report 3 days a week (originally daily report) with information regarding case numbers in the municipality, county and state and also, expired cases, providing guidance documents and timely information through June, with current active cases added. Currently Mt. Lakes has 0 active cases.
- Continue to discuss with leadership regarding various employment issues for returning to work within the municipality/government and schools. Time vs. testing models. NJDOH now recommends using time from onset of symptoms or a positive test for return to work (10 days) instead of re-testing with a negative test.
- Review and advise Municipal leadership, businesses and school administrators related to ongoing documents for re-opening and provided interpretive information.
- Continue standard public health inspections and complaints which are becoming more common with additional community activity.

Respectfully Submitted,
F. Michael Fitzpatrick, Health Officer

MOUNTAIN LAKES BORO POLICE DEPARTMENT

Agency Activity Report

By CFS Classification

From Date: 8/1/2020 To Date: 8/31/2020

Report Date: 9/14/2020 12:48:02 PM

Classification code	Description	Total Events	0000-0800	0801-1600	1601-2359
0100	Murder	0	0	0	0
0200	Rape	0	0	0	0
0300	Robbery	0	0	0	0
0400	Aggravated Assault	0	0	0	0
0500	Burglary	1	0	1	0
0600	Theft	0	0	0	0
0700	MV Theft	0	0	0	0
0800	Other Assaults	0	0	0	0
0900	Arson	0	0	0	0
1000	Forgery Counterfeit	0	0	0	0
1100	Fraud	1	0	1	0
1200	Embezzlement	0	0	0	0
1300	Stolen Property	1	0	1	0
1400	Malicious Mischief	2	0	2	0
1500	Weapons Offense	0	0	0	0
1600	Prostitution Vice	0	0	0	0
1700	Sex Offense	0	0	0	0
1800	Narcotics Drug Laws	0	0	0	0
1900	Gambling	0	0	0	0
2000	Family Offense	0	0	0	0
2100	Liquor Laws Drunk Driving	0	0	0	0
2200	Liquor Laws Possession	0	0	0	0
2400	Disorderly Conduct	7	1	1	5
2600	All Other Offenses	22	3	3	16
2900	Runaways	0	0	0	0
3800	Homeland Security	0	0	0	0
4000	Non Criminal Investigations	50	9	16	25
4100	Fire Related	19	1	11	7
4200	WATER RESCUE	0	0	0	0
4500	Deaths / Suicides	1	0	0	1
5000	Lost Found Property	6	0	5	1
5010	Missing Persons	0	0	0	0
5500	Animal Complaints	9	0	8	1
6000	Traffic Accidents	4	0	3	1

MOUNTAIN LAKES BORO POLICE DEPARTMENT

Agency Activity Report

By CFS Classification

From Date: 8/1/2020 To Date: 8/31/2020

Report Date: 9/14/2020 12:48:02 PM

Classification code	Description	Total Events	0000-0800	0801-1600	1601-2359
6300	Traffic Enforcement	56	2	33	21
6400	MARINE / BOATING	0	0	0	0
6500	Parking Enforcement	1	0	0	1
6600	Traffic Services	13	3	8	2
7000	Public Services	355	92	91	172
7500	Assist other Agency	25	4	15	6
7600	Special Unit Activity Codes	0	0	0	0
8000	Warrants	1	1	0	0
8100	Warrants Other	0	0	0	0
8200	Warrant Tracking	0	0	0	0
8300	Corrections	0	0	0	0
8500	Departmental Services	0	0	0	0
9000	Administrative	247	41	89	117
	Total:	821	157	288	376

MOUNTAIN LAKES BORO POLICE DEPARTMENT

Officer Citation Report

From Date : 8/1/2020 To Date : 8/31/2020

Report Date : 9/14/2020 12:52 PM

Officers Name	Badge Number	Traffic Stops	Equipment	Moving	Radar	Parking	Ordinance	Warnings	Total
XXX	XX	0	0	0	0	0	0	0	0
XXX	XX	11	0	0	0	0	0	0	0
XXX	XX	1	0	0	0	0	0	0	0
XXX	XX	1	0	0	0	0	0	0	0
XXX	XX	0	0	0	0	0	0	0	0
XXX	XX	0	0	0	0	0	0	0	0
XXX	XX	0	0	0	0	0	0	0	0
XXX	XX	0	0	0	0	0	0	0	0
XXX	XX	4	0	0	0	0	0	0	0
XXX	XX	1	0	0	0	0	0	0	0
XXX	XX	0	0	0	0	0	0	0	0
XXX	XX	0	0	0	0	0	0	0	0
XXX	XX	0	0	0	0	0	0	0	0
XXX	XX	0	0	0	0	0	0	0	0
Total:		18	0	2	0	0	0	0	2

Time Used/Overtime by Month

	Sick Time Hours				Vacation/Comp Hours/Pers Day/Bereave				Court Overtime				Department Overtime															
	2014	2015	2016	2017	2018	2019	2020	2014	2015	2016	2017	2018	2019	2020	2014	2015	2016	2017	2018	2019	2020							
Jan	104	106	58	236	216	79	588	60	64	127.5	22	15	14	0	\$0	\$0	\$0	\$0	\$158	\$0	\$154	\$9,344	\$2,989	\$3,164	\$2,998	\$4,159	\$4,348	\$9,570
Feb	80	104	142	226	252	86	444	45	34	11	84	104	220	111	\$221	\$0	\$0	\$0	\$210	\$258	\$0	\$10,162	\$4,641	\$7,750	\$7,009	\$4,927	\$7,138	\$4,789
March	128	82	82	238	310	110	332	36	96	139	198	148.5	168	74.5	\$180	\$0	\$0	\$151	\$0	\$0	\$0	\$7,262	\$6,541	\$7,689	\$12,822	\$29,829	\$6,254	\$4,081
April	36	72	46	209.5	0	106	456	165	218	138	154	250	265.5	0	\$360	\$271	\$0	\$0	\$422	\$0	\$0	\$1,563	\$8,942	\$4,657	\$5,399	\$12,146	\$27,385	\$3,930
May	94	188	69	128	204	96	564	220	322	192	254	178	169	36	\$0	\$0	\$0	\$0	\$993	\$0	\$0	\$10,958	\$11,708	\$16,276	\$12,700	\$24,263	\$29,828	\$5,202
June	104	144	85	140	130	106	540	257	152	299	268	208	254	194	\$0	\$0	\$0	\$193	\$0	\$0	\$9,640	\$18,386	\$6,362	\$17,917	\$21,572	\$32,632	\$21,692	
July	68	128	140	318	152	47	442	520	428	592	518	524	84.5	551	\$0	\$0	\$0	\$0	\$158	\$0	\$0	\$11,237	\$27,256	\$31,836	\$31,018	\$24,005	\$27,180	\$26,802
August	120	114	182	272	94	246	312	674	585	528	606	682	748	708	\$0	\$0	\$0	\$140	\$193	\$0	\$0	\$20,462	\$30,377	\$20,059	\$21,042	\$18,754	\$34,709	\$22,125
Sept	116	71.5	92	276	94	180		131	228	364.5	294	375.5	222.5		\$0	\$0	\$354	\$0	\$0	\$0	\$6,874	\$13,746	\$12,484	\$21,047	\$16,316	\$22,108		
Oct	92	82	94	332	106	154		146	302	414	125	208	216		\$266	\$0	\$0	\$0	\$0	\$0	\$8,543	\$16,914	\$15,755	\$12,876	\$14,514	\$15,865		
Nov	94	96.5	188	346	148	426		256	145	164	274.5	235.5	176		\$0	\$0	\$0	\$0	\$246	\$0	\$9,762	\$8,770	\$11,241	\$18,359	\$15,103	\$17,554		
Dec	164	121	392	392	254	600		175	157.5	217.5	171	346.5	144.5		\$0	\$0	\$0	\$302	\$0	\$0	\$15,512	\$5,481	\$19,991	\$18,360	\$20,970	\$21,126		
Total	1200	1309	1570	3114	1960	2236	3678	2685	2731.5	3186.5	2968.5	3275	2682	1674.5	\$1,028	\$271	\$354	\$593	\$947	\$1,625	\$412	\$121,318	\$155,753	\$157,266	\$181,548	\$206,506	\$241,128	\$98,192

August

<u>Total Overtime</u>
<u>Hours Paid</u>
273

<u>Total</u>	<u>Total</u>	<u>% of Hrs Equating to</u>
<u>Vaca/Comp/Perso</u>	<u>nal/Bereave Hrs</u>	<u>Creating OT</u>
708	144	20.34%

<u>Total Sick Time</u>	<u>Total Sick Time</u>	<u>% of Hrs Equating to</u>
<u>Hrs</u>	<u>Hrs Creating OT</u>	<u>OT</u>
312	112.5	36.06%

- * 7.5 hrs due to Tropical Storm Isiasis
- * 9 hrs arrest/Investigations

** One Officer out injury/disability, creating 180 of the 312 sick hours for the month.
 A Patrol Officer has taken over some mandatory functions of the Detective Bureau.
 Full Detective Bureau function will resume when manpower permits.

BOROUGH OF MOUNTAIN LAKES

Recreation Department

Department Activity **August 2019**

The Recreation Commission does not meet in August. The next meeting will be held on September 15th via Zoom.

- Toured all recreational facilities throughout the summer season including: Midvale Playground, Midvale Boat Launch, Taft Field, Wilson Basketball Courts, Tennis Courts, Birchwood and Island Beaches, Esplanade and Cove in order to maintain the areas for resident use. Worked with DPW to keep facilities ready for resident use.
- Opened the snack bars at each beach according to COVID protocol.
- Continued planning and hosting summer events including a second Drive in Movie in conjunction with Boonton Township, Alex Laurenzi jazz concert, Brother Wisdom concert, Movie Night on Island Beach.
- Ongoing communication with camp directors as summer camps concluded: Sailing, Tennis, Swim and Summer Recreation Camp all ended in the first week of August. Considering all additional COVID protocols; camps were an enormous success.
- Finalized all payroll.
- Assisted our Mountain Lakes HUB Lakes Adult Sports League coaches. Many sports were cancelled for COVID, but success for all involved.
- Set up and monitored online registration and program details for Fall Recreation Field Hockey and Cross Country programs. Guided coaches through COVID protocol.
- Met with new ML Superintendent to discuss space for Recreation programs.
- Secured turf time for Field Hockey program.
- Ongoing communication with Beach Director on a regular basis to discuss beach usage and staffing. Communication with Park Rangers as well.
- Provided customer service, camp information and registration assistance to residents for all summer programs.
- Assisted residents with various facilities requests.
- Began scheduling Zoom Laker 55 programs for fall.
- Began fingerprinting/background process for volunteer coaches. Awaiting information from Chief Bennett.
- Procured and placed COVID 19 signs at all recreational venues.
- Ordered “Lifeguard ON/OFF Duty” signs for both beaches.
- Met with “Swing Set” sub-committee for placement of swingset at Island Beach. The sub-committee confirmed placement up by Masonic Lodge. Resident is currently working on landscape design plan.
- Continued to assist receptionists for Beach Tags.
- Gathered information for the Tennis Court refurbishment.
- Assisted MLHS Volleyball Team for a new Beach Volleyball Tournament on Birchwood Beach. Very successful. Followed COVID protocol.



BOROUGH OF MOUNTAIN LAKES

LISTED IN NATIONAL AND STATE REGISTERS OF HISTORIC PLACES

Joe Mullaney
Code Enforcement Officer
jmullaney@mtnlakes.org

400 Boulevard
Mountain Lakes, NJ 07046
P -973-334-3131 ext.2014
F -973-402-3466

TO: Borough Manager Mitchell Stern
DATE: 9/14/20
SUBJECT: Monthly Report August 2020

The following lists code enforcement/property maintenance issues for the month of August 2020:

- 8/12: Resident of Woodland Ave notified regarding RV parked in driveway in violation of ordinance
- 8/13: Follow up with Center Drive resident regarding property maintenance violation
- 8/19: Follow up on complaint received about trees being taken down on Condit Road without a permit. Spoke with the property owner and he advised he was just removing trees that had fallen from the storm. No further action taken
- 8/19: Notification to Crestwood Rd resident regarding a ROW violation. Matter resolved
- 8/26: Follow up on complaint received about property maintenance violation on Laurel Hill Road. Matter resolved
- 8/27: Follow up on zoning violation at a house under construction on Lake Drive. Matter resolved

SMOKE AND CO DETECTOR INSPECTIONS:

Note that on site inspections have been discontinued until further notice. Residents in need of an inspection are completing an affidavit form and certifying that the smoke and carbon monoxide detectors are operable, and a fire extinguisher is present in the kitchen area as required by code. On site inspections will continue when conditions permit.

Date:	Location	Pass/Fail
8/6	59 Crestview	Pass
8/8	330 Morris Ave	Pass
8/11	57 Crane Rd	Pass
8/11	135 Lake Drive	Pass
8/12	14 Littlewood Ct	Pass
8/12	61 Tower Hill	Pass
8/14	76 Kenilworth	Pass

Date	Location	Pass/Fail
8/19	63 Laurel Hill	Pass
8/20	29 Oak Lane	Pass
8/24	28 Park Place	Pass
8/24	4 Lake End Place	Pass
8/28	209 Morris Ave	Pass

SIGN ENFORCEMENT –Monitor placement of temporary signs for compliance with ordinance.

Parking Enforcement: Monitor parking of landscaping trucks on Boulevard and around town to ensure compliance.