

**CHAPTER 43**  
**NEIGHBORHOOD PRESERVATION BALANCED HOUSING PROGRAM**

**Authority**

N.J.S.A. 52:27D-320.

**Source and Effective Date**

R.2000 d.464, effective October 25, 2000.  
 See: 32 N.J.R. 1457(a), 32 N.J.R. 4103(a).

**Executive Order No. 66(1978) Expiration Date**

Chapter 43, Neighborhood Preservation Balanced Housing Program, expires on October 25, 2005.

**Chapter Historical Note**

Chapter 43, Neighborhood Preservation Balanced Housing Program, was originally codified in Title 5 as Chapter 14, Neighborhood Preservation Balanced Housing Program. Chapter 14 was adopted as R.1985 d.688, effective January 21, 1986. See: 17 N.J.R. 2489(a), 18 N.J.R. 162(a). Subchapter 4, Affordability Controls, was adopted by R.1989 d.588, effective December 4, 1989. See: 21 N.J.R. 2153(a), 21 N.J.R. 3740(b).

Pursuant to Executive Order No. 66(1978), Chapter 14, Neighborhood Preservation Balanced Housing Program, was readopted as R.1990 d.604, effective November 9, 1990. See: 22 N.J.R. 1700(b), 22 N.J.R. 3734(a).

Pursuant to Executive Order No. 66(1978), Chapter 14, Neighborhood Preservation Balanced Housing Program, was readopted as R.1995 d.594, effective October 26, 1995. See: 27 N.J.R. 3256(a), 27 N.J.R. 4698(a).

Pursuant to Reorganization Plan No. 002-1998, Chapter 14, Neighborhood Preservation Balanced Housing Program, was recodified as N.J.A.C. 5:43, effective July 1, 1998. See: 30 N.J.R. 1347(a), 30 N.J.R. 2644(a).

Pursuant to Executive Order No. 66(1978), Chapter 43, Neighborhood Preservation Balanced Housing Program, was readopted as R.2000 d.464, effective October 25, 2000. See: Source and Effective Date.

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**SUBCHAPTER 1. GENERAL PROVISIONS**

**5:43-1.1 Purpose**

The purpose of the Neighborhood Preservation Balanced Housing Program shall be to assist in the delivery of housing affordable to low and moderate income households in viable neighborhoods, in conformance with the State Development and Redevelopment Plan and in fulfillment of Section 20 of the Fair Housing Act of 1985. Consistent with the Act, a substantial percentage of Program awards shall be made to projects and programs in those municipalities receiving State aid pursuant to P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.).

Amended by R.1992 d.144, effective April 6, 1992.  
 See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).

NPBHP assists in delivery of services.  
 Amended by R.1998 d.438, effective September 8, 1998.  
 See: 30 N.J.R. 1880(a), 30 N.J.R. 3239(b).

Inserted “, in conformance with the State Development and Redevelopment Plan and” in the first sentence.

**5:43-1.2 Severability**

If any part of this chapter shall be held invalid, the holding shall not affect the validity of the remaining part of these rules. If a part of these rules is held invalid in one or more of its applications, the rules shall remain in effect in all valid applications that are severable from the invalid application.

New Rule, R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Former section, "Eligible applicants", recodified to 5:14-1.3.

**5:43-1.3 Eligible applicants**

(a) Municipal governments shall be the only eligible applicants to the Neighborhood Preservation Balanced Housing Program.

(b) Applications shall only be accepted from municipalities meeting at least one of the following criteria:

1. The municipality has petitioned the Council on Affordable Housing for substantive certification;
2. The municipality has received substantive certification from the Council on Affordable Housing;
3. The municipality has entered into a judicially-approved compliance agreement to settle its fair share housing obligation;
4. The municipality is subject to a court-ordered builder's remedy;
5. The municipality has been designated as a receiving municipality under a regional contribution agreement and project plan approved by the Council on Affordable Housing; or
6. The municipality has, at any time since Fiscal Year 1988, been eligible to receive State aid pursuant to P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.).

(c) Applicants that are eligible in accordance with (b)1 above only shall not be eligible to receive program funding until the municipality's Fair Share Plan has received substantive certification from the Council on Affordable Housing.

(d) Applicants that are eligible in accordance with (b)4 above only shall not be eligible to receive program funding until the municipality's Fair Share Plan has been judicially approved by the issuance of a judgment of repose.

Amended by R.1989 d.143, effective March 20, 1989.

See: 21 N.J.R. 3(a), 21 N.J.R. 750(a).

(b) and (c) added; established application and funding criteria for on or after July 1, 1989.

Amended by R.1992 d.144, effective April 6, 1992.

See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).

References to July 1, 1989 deleted.

Recodified from 5:14-1.2 and amended by R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Former section, "Eligible activities", recodified to 5:14-1.3.

Amended by R.1998 d.438, effective September 8, 1998.

See: 30 N.J.R. 1880(a), 30 N.J.R. 3239(b).

Added (c) and (d).

**5:43-1.4 Eligible activities**

(a) Eligible activities shall include those activities listed below:

1. Rehabilitation of substandard housing units occupied or to be occupied by low and moderate income households;
2. Creation of accessory apartments to be occupied by low and moderate income households;
3. Conversion of nonresidential space to residential purposes provided more than 20 percent of the resulting housing units are to be occupied by low and moderate income households;
4. Acquisition of real property; demolition and removal of buildings; or construction of new housing that will be occupied by low and moderate income households, or any combination thereof;
5. Grants of assistance to eligible municipalities for costs of necessary studies, surveys, plans and permits, engineering, architectural and other technical services, cost of land acquisition and any buildings thereon, and cost of site preparation, demolition and infrastructure development for projects undertaken pursuant to an approved Regional Contribution Agreement;
6. Assistance to a local housing authority, nonprofit or limited dividend housing corporation or association for rehabilitation or restoration of housing units which it administers which:
  - i. Are unusable or in a serious state of disrepair;
  - ii. Can be restored in an economically feasible and sound manner; and
  - iii. Can be retained in a safe, decent and sanitary manner, upon completion of rehabilitation or restoration; and
7. Other housing programs for low and moderate income housing including infrastructure projects directly facilitating the construction of low and moderate income housing not to exceed a reasonable percentage of the construction costs of the low and moderate income housing to be provided.

(b) A proposed activity shall only be considered eligible if the units produced meet the criteria necessary at N.J.A.C. 5:93 to qualify for credit from the Council on Affordable Housing.

(c) Except as noted in (c)1 below, any project which is located in a non-urban aid municipality and which is being developed in accordance with a COAH-certified plan or a

court settlement and judgment of repose and for which the developer, or its assignee, has received a density bonus shall not be eligible for Balanced Housing funding.

1. A project will be considered eligible for funding if 100 percent of the units are affordable and if the project is not identified, by sale or transfer or any other means, with an inclusionary development.

(d) Balanced Housing funds shall not be used for the sole purpose of converting public housing to homeownership.

Amended by R.1992 d.144, effective April 6, 1992.

See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).

References to "substantial percentage" deleted.

Recodified from 5:14-1.3 and amended by R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Former section, "Definitions", recodified to 5:14-1.5.

### 5:43-1.5 Definitions

The following words and terms, as used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

"Adjusted rent" means the base rent for a rental unit adjusted by the Index.

"Affordable" means capable of being afforded without undue burden by an eligible household. A rental unit shall be considered "affordable" if the monthly rent, including the estimated cost of utilities paid by the tenant, does not exceed 30 percent of an eligible household's income. Homeowner units shall be considered "affordable" if the monthly carrying costs, including principal and interest (based on a mortgage equal to 95 percent of the purchase price), taxes, homeowner and private mortgage insurance and condominium fees, do not exceed 28 percent of an eligible household's income. Except as modified in accordance with N.J.A.C. 5:43-2.4(a)7ii, in calculating the affordability of both homeowner and rental units the following occupancy is assumed: a studio is occupied by a one person household; a one bedroom unit is occupied by a one and one-half person household; a two bedroom unit is occupied by a three person household; a three bedroom unit is occupied by a four and one-half person household; and a four bedroom unit is occupied by a six person household.

"Affordable housing agreement" means the written agreement between an owner of an affordable housing unit and the Department that imposes restrictions on units developed with funding from the Neighborhood Preservation Balanced Housing Program to ensure that those housing units remain affordable to households of low and moderate income for a specified period of time.

"Alteration" means the rearrangement of any space by the construction of walls or partitions, the addition or elimination of any door or window, the extension or rearrangement of any system, the installation of any additional equipment or fixtures and any work which affects a primary structural component.

"Applicant household" means a household that has submitted a Preliminary Application for an eligibility review.

"Assessments" means all taxes, levies, or charges, both public and private, including those charges by any condominium, cooperative or homeowner's association as the applicable case may be, imposed upon the affordable housing unit.

"Balanced Housing units" means those units within a project receiving Balanced Housing funds which are subject to affordability controls in accordance with N.J.A.C. 5:43-4 or a mortgage in accordance with N.J.A.C. 5:43-4, regardless of whether such controls or mortgages are waived or modified.

"Base price" means the initial sales price of a unit designated as owner-occupied affordable housing and restricted by affordability controls.

"Base rent" means the monthly charge established for a rental unit at the time the unit is first restricted by affordability controls.

"Certified household" means any eligible household whose total gross annual income has been verified, whose financial resources have been approved and who has received certification as a low or moderate income-eligible household for referral to an affordable housing unit.

"Closing costs" means those costs of a real estate sale that are incurred by the buyer and seller at the time of sale including, but not limited to attorney's fees, mortgage points, real estate transfer fee, and applicable real estate broker fees.

"Department" means the Department of Community Affairs.

"Division" means the Division of Housing and Community Resources in the Department of Community Affairs.

"Eligible household" means a household whose preliminary application has been reviewed, whose unverified estimated total gross annual income is judged to be low or moderate income pursuant to applicable guidelines, and whose name has been placed on a referral list for affordable housing.

"Eligible neighborhood" means a neighborhood that is viable, as defined by N.J.S.A. 52:27D-143 et seq. (P.L. 1975, c.248), the Maintenance of Viable Neighborhoods Act, a target area or a currently non-viable neighborhood provided that there is in place a strategy that is realistic and financially feasible which will ensure that the neighborhood will be viable within a reasonable time of project completion. Included in any such strategy shall be a plan for ameliorating crime, blight, high vacancy rates and any other factors that might have a negative impact on the long term viability of the neighborhood and a proposed project.

“First money mortgagee” means the holder and/or assigns of the first money mortgage which must also be an institutional lender or investor, licensed or regulated by a State or Federal government or an agency thereof.

“Foreclosure” means the termination through legal processes of all rights of the mortgagor or the mortgagor’s heirs, successors, assigns or grantees in a restricted Affordable Housing unit covered by a recorded mortgage.

“Gross annual income” means the total calculated amount of a household’s income from all sources including, but not limited to, salary, wages, regular overtime, interest, dividends, alimony, child support, pensions, social security, unemployment, disability, business income and capital gains, tips and welfare benefits. Income is calculated based on a weekly, bi-weekly, semi-monthly, or monthly figure that is effective at the time of the certification interview and estimated for a 12-month period.

“Gross rent” means the total cost of a rental unit to a certified household when a tenant-paid utility allowance is added to the base rent.

“Household” means the person or persons occupying a housing unit.

“Index” means the measured percentage of change in the median income established for a household of four by geographic region using the applicable median income guide published periodically by the U.S. Department of Housing and Urban Development as blended by COAH region and approved for use by the N.J. Council on Affordable Housing. For rental units, “Index” means the Consumer Price Index for Housing as published monthly by the U.S. Department of Labor Statistics and approved for use by the Council on Affordable Housing. For rental units receiving Low Income Housing Tax Credits, “Index” means the measured percentage of change in the capped Section 8 Income Limits published periodically by the U.S. Department of Housing and Urban Development.

“Low income household” means a household whose gross annual income is equal to 50 percent or less of the median gross income established by geographic region and household size using income figures and family size adjustment methodology published periodically in the Federal Register by the U.S. Department of Housing and Urban Development and approved for use by the Council on Affordable Housing.

“Moderate income household” means a household whose gross annual income is equal to more than 50 percent but less than 80 percent of the median gross income established by geographic region and household size using income figures and family size adjustment methodology published periodically in the Federal Register by the U.S. Department of Housing and Urban Development and approved for use by the Council on Affordable Housing.

“Moderate rehabilitation” means the repair, renovation and/or alteration of a unit.

“Neighborhood” means an area which is recognized as a distinct entity by virtue of certain factors, such as: definite boundaries, natural or man-made; history; architecture; facilities which attract people within a certain radius; or a shared sense of identity or social cohesion. This definition is equally applicable to neighborhoods in urban, suburban, and rural communities.

“New unit” means any unit that has been constructed, reconstructed or created through the conversion of a non-residential building within the three years preceding submission of an application, meets all applicable code requirements and has not been occupied since the time of its construction or reconstruction.

“Owner” means the title holder of record as reflected in the most recently dated and recorded deed for the particular affordable housing unit.

“Pilot program” means a trial program of limited duration established by the Commissioner which will further the purpose of the Fair Housing Act and which may require waiver of specific provisions of these rules.

“Price differential” means the total amount of the unrestricted sales price that exceeds the maximum restricted resale price as calculated by the Index. The unrestricted sales price shall be no less than a comparable fair market price as determined by the Division at the time a Notice of Intent to Sell has been received from the owner.

“Primary residence” means the unit wherein a certified household maintains continuing residence for no less than nine months each calendar year.

“Purchaser” means a certified household who has signed an agreement to purchase an affordable housing unit subject to a mortgage commitment and closing.

“Range of affordability” means the household income, expressed as a percentage of the median income, at which a given unit is affordable.

“Reconstruction” means any project where the extent and nature of the work is such that the work area cannot be occupied while the work is in progress and where a new certificate of occupancy is required before the work area can be reoccupied. Reconstruction may include repair, renovation, alteration or any combination thereof. Reconstruction shall not include projects comprised only of floor finish replacement, painting or wallpapering, or the replacement of equipment or furnishings. Asbestos hazard abatement and lead hazard abatement projects shall not be classified as reconstruction solely because occupancy of the work area is not permitted.

“Rehabilitation” means the repair, renovation, alteration or reconstruction of any building or structure as defined herein and as defined in N.J.A.C. 5:23-6.3.

“Renovation” means the removal and replacement or covering of existing interior or exterior finish, trim, doors, windows or other materials with new materials that serve the same purpose and do not change the configuration of space. Renovation shall include the replacement of equipment or fixtures.

“Renter” means a household who has been certified for an affordable housing unit for rent subject to the signing of a lease and the payment of any required security deposit.

“Repair” means the restoration to a good or sound condition of materials, systems and/or components that are worn, deteriorated or broken using materials or components identical to or closely similar to the existing.

“Repayment lien” means the second mortgage and note signed by the owner that is given to the Division as security for the payment of 95 percent of the price differential generated by the first non-exempt sale of an affordable housing sales unit at the time of closing and transfer of title of the property after the ending date established in the Affordable Housing Agreement.

“Resale price” means the base price as adjusted by the Index. The resale price may also be adjusted to accommodate an approved home improvement. In the case of central air conditioning installed after the initial sale, the adjustment shall be the cost of the unit installed minus  $\frac{1}{120}$  of that cost for each month of use up to the end of the tenth year.

“Senior citizen” means any person age 62 years or older.

“Single room occupancy unit (SRO)” means a unit within a structure in which households maintain private rooms yet share kitchen and plumbing facilities, central heat and common areas.

“Substandard” means, when used to characterize a structure or dwelling unit, that the local construction official has certified that health and safety code violations exist and that, in order to abate those violations, one or more of the following major systems must be replaced or extensively repaired: roof, electrical, plumbing, sanitary plumbing, heating, or load-bearing structural systems.

“System” means the primary structural, mechanical, plumbing, electrical, fire protection, or occupant service components of a building including any equipment, fixtures, connections, conduits, wires, pipes, ducts, as well as any associated sensors, controls, distribution or safety elements.

“Target areas” means those geographic areas or neighborhoods that have been designated by the Governor, Commissioner and/or the State Planning Commission as locations

appropriate for intensive redevelopment. For example, designated Empowerment Zones and Enterprise Communities; areas formally designated by the State Planning Commission as State Plan centers and those communities that have an endorsed Strategic Revitalization Plan; designated neighborhoods within municipalities participating in the Department’s Strategic Neighborhood Assistance Programs; designated areas within municipalities selected by the Governor’s Urban Coordinating Council to enter into a partnership with the State to organize and implement strategic revitalization plans; and municipalities that have adopted a neighborhood-based strategic community revitalization plan that addresses the specific needs of a neighborhood.

“Urban Aid Municipality” means any municipality eligible for Balanced Housing funding in accordance with N.J.A.C. 5:43-1.2(b)6.

Amended by R.1992 d.144, effective April 6, 1992.

See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).

Definitions for affordable, balanced housing units, Division, eligible household, eligible neighborhood, equity, moderate rehabilitation, neighborhood, new unit, physical value, range of affordability, senior citizen, single room occupancy (SRO), substandard, and substantial rehabilitation added; housing region deleted; low and moderate income households amended.

Amended by R.1995 d.339, effective June 19, 1995.

See: 27 N.J.R. 1508(a), 27 N.J.R. 2385(a).

Added the definition of “Urban Aid Municipality”.

Amended by R.1995 d.594, effective November 20, 1995.

See: 27 N.J.R. 3256(a), 27 N.J.R. 4698(a).

Recodified from 5:14-1.4 and amended by R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Former section, “Waiver”, recodified to 5:14-1.6.

Amended by R.1998 d.438, effective September 8, 1998.

See: 30 N.J.R. 1880(a), 30 N.J.R. 3239(b).

Inserted “Alteration”, “Reconstruction”, “Rehabilitation”, “Renovation”, “Repair” and “System”; rewrote “Eligible neighborhood” and “Moderate rehabilitation”; in “New unit”, substituted references to reconstruction for references to substantial rehabilitation; and deleted “Physical value” and “Substantial rehabilitation”.

#### 5:43-1.6 Waiver

Any applicant desiring a waiver or release from the express requirements of any provision of this chapter may make such request, in writing, to the Division. A waiver shall be granted only by the Division Director in writing and then only when such waiver does not contravene the provisions of the Fair Housing Act. The decision of the Division Director shall be final.

New Rule R.1992 d.144, effective April 6, 1992.

See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).

Recodified from 5:14-1.5 and amended by R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Rewrote section.

#### 5:43-1.7 Maximum allowable project fees

(a) The maximum contractor fee shall be determined in accordance with Appendix F, incorporated herein by reference.

(b) The maximum per unit amount which may be taken out of the project as developer fee shall be calculated as follows:

Unit Size	Maximum Per Unit Developer Fee (in thousands of dollars)			
	<u>A</u>	<u>B</u> . . . . .	<u>C</u>	<u>D</u>
Studio		5 . . . . .	7	
One bedroom	5	7 . . . . .	9	10
2 bedroom	6	8 . . . . .	10	11
3 bedroom	7	9 . . . . .	11	12
4 or more bedrooms	8	10 . . . . .	12	13

1. Column A shall apply to new homeownership units which are not located in urban aid municipalities or target areas.

2. Column B shall apply to new rental units which are not located in urban aid municipalities or target areas.

3. Column C shall apply to new rental units located in urban aid municipalities or target areas.

4. Column D shall apply to new homeownership units located in urban aid municipalities or target areas.

(c) The Department shall waive these limits in cases where an applicant can demonstrate that a higher fee is needed in order to achieve project feasibility. If all or a portion of the developer fee is deferred until more than one year after project completion, the Commissioner may allow a higher fee than calculated in subsection (b) above as long as the discounted value of the deferred fee does not exceed that which otherwise would have been allowed.

New Rule, R.1996 d.226, effective May 20, 1996.  
See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

## SUBCHAPTER 2. FUNDING

### 5:43-2.1 Funding cycles and application procedures

With the exception of applications for Neighborhood Rehabilitation projects (see N.J.A.C. 5:43-3.9), the Department shall accept applications on a continuous basis.

Amended by R.1992 d.144, effective April 6, 1992.  
See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).

Original text deleted; new text added, establishing competitive cycle for Neighborhood Rehab only.

Amended by R.1996 d.226, effective May 20, 1996.  
See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Rewrote section.

### 5:43-2.2 Allocation of funds

(a) In each fiscal year, the Commissioner may set aside all or a portion of the fund for any given time period for specific activities including, but not limited to, pilot programs, projects in specific target areas or specific project types or directed to specific target populations.

(b) For funds which are not set aside by the Commissioner, the Department shall conduct four competitive funding cycles as follows:

1. Tax credit cycle. Only projects which are also applying for Low Income Housing Tax Credits in the spring allocation cycle shall be considered during this round. The application deadline and funding announcement dates shall coincide with the tax credit allocation dates. If there is an additional application cycle for Low Income Housing Tax Credits, the same timing shall apply.

2. Summer cycle. Applications received by August 15 shall be considered for funding on or about October 31.

3. Fall cycle. Applications received by November 15 shall be considered for funding on or about January 31.

4. Final cycle. Applications received by March 15 shall be considered for funding on or about May 31.

5. In cases where delaying funding until the next cycle would prevent the project from going forward, the Commissioner shall have the discretion to fund projects at any time.

6. During each funding cycle, applications which are not funded shall be carried forward if they meet the criteria necessary to be funded or rejected if they do not. If carried forward, applicants shall be notified that their application shall be considered during the next funding cycle.

(c) The distribution of funds to each cycle shall be at the discretion of the Commissioner.

(d) All Balanced Housing funds shall be allocated to municipalities on behalf of specific projects. In the event that the project does not proceed within the time specified in the Grant Agreement, the funds shall be reallocated by the Department. The prior allocation shall have no effect on the reallocation of captured funds.

(e) In order to promote an equitable Statewide distribution of funds, the Commissioner may limit the funding amount to any one municipality in a given fiscal year.

(f) Neighborhood rehabilitation projects shall be funded only within designated neighborhoods specified in this section or in municipalities in which Balanced Housing funds would be used to support activities funded by other Division programs.

New Rule R.1992 d.144, effective April 6, 1992.

See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).

Repeal and New Rule, R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Section was "Priorities".

Amended by R.1998 d.438, effective September 8, 1998.

See: 30 N.J.R. 1880(a), 30 N.J.R. 3239(b).

Inserted new (b) through (e); and recodified former (b) as (f).

**5:43-2.3 Cost criteria**

(a) The Department sets the following as the maximum acceptable per-unit costs for projects to be funded:

S.R.O./ Studio	1 BR	2 BR	3 BR	4 BR
\$95,000	\$112,000	\$120,000	\$129,000	\$137,000

(b) Although the Department may consider applications for projects which exceed the maximum acceptable costs, the maximum subsidy for such projects shall be considered as if the project's costs were equal to the maximum acceptable costs.

(c) Each applicant shall be required to explain and justify costs.

New Rule R.1992 d.144, effective April 6, 1992.  
 See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).  
 Amended by R.1996 d.226, effective May 20, 1996.  
 See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).  
 Rewrote section.  
 Repeat and New Rule, R.1998 d.438, effective September 8, 1998.  
 See: 30 N.J.R. 1880(a), 30 N.J.R. 3239(b).  
 Section was "Distribution of funds".

**5:43-2.4 Review criteria**

(a) During each funding cycle, the Department shall evaluate eligible projects based on the criteria listed below. The Department shall favor the following:

1. Projects that are located in a target area.
2. In urban aid municipalities, projects that provide mixed income housing opportunities including low, moderate and market units;
3. Projects that seek to encourage minorities and neighborhood residents that are employed by the sponsor/developer to undertake construction, rehabilitation or other related development activities for a specific purpose;
4. Projects that have committed funds for the provision of support services and programs that are appropriate for and accessible to residents.
5. Projects in which the affordability controls shall be in place for a longer period than required in accordance with N.J.A.C. 5:43-3.1(f);
6. Projects that shall provide amenities such as additional bathrooms, storage space, porches, balconies, private yard and, where appropriate, shared facilities such as senior citizen activity rooms or lounges;
7. Projects that serve a population generally not served by the private market, for example, projects that provide housing opportunities for households with incomes below 40 percent range of affordability, persons with special needs or homeless persons;
8. Projects that provide family housing in developing communities;

9. Projects that may be expected to have a positive impact on the neighborhood and/or would further the objectives of a strategic neighborhood plan;

10. Projects that are designed so as to exceed the specifications of the New Jersey Uniform Construction Code resulting in clearly identifiable benefits to the occupants, for example, incorporating energy efficiency features which would minimize utility costs for the occupants or undertaking lead paint abatement when not mandated;

11. Projects with rents and prices that are staggered so that the units are affordable to a wide range of eligible households; and

12. Projects in which the municipality provides tangible, quantifiable support, for example, cash, land, fee reduction, and/or loan guarantee, particularly in suburban communities.

New Rule, R.1996 d.226, effective May 20, 1996.  
 See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).  
 Amended by R.1998 d.438, effective September 8, 1998.  
 See: 30 N.J.R. 1880(a), 30 N.J.R. 3239(b).  
 Rewrote the section.

**5:43-2.5 (Reserved)**

New Rule, R.1996 d.226, effective May 20, 1996.  
 See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).  
 Repealed by R.1998 d.438, effective September 8, 1998.  
 See: 30 N.J.R. 1880(a), 30 N.J.R. 3239(b).  
 Section was "Cost review criteria".

**SUBCHAPTER 3. FUNDING CRITERIA**

**5:43-3.1 General provisions**

(a) Successful applicants to the Neighborhood Preservation Balanced Housing Program shall be invited to enter into a grant agreement with the Department.

1. Upon the request of an applicant, the Department may, at its sole discretion, contract directly with a sponsor/developer of a proposed project. The decision of the Department to contract directly with the sponsor/developer shall be based on evidence that doing so shall enhance project feasibility and a determination that the sponsor/developer has sufficient capacity to carry out all administrative, financial and other requirements of the grant agreement.

2. The terms and conditions of any grant agreement shall be at the sole discretion of the Department.

(b) All projects proposed for funding must be in an eligible neighborhood. Applicants shall be required to demonstrate that the neighborhood is appropriate for the population to be served.

(c) Applicants to the Balanced Housing Program shall be required to demonstrate their ability, both administrative and financial, to carry out the proposed project.

1. The qualifications of key participants, including the sponsor/developer, consultant, administering agent and the municipality, will be examined. Failure to perform by any of those participants in past contracts with the Department or failure to pay the Affordable Housing Management Service or to repay loans from the Department shall be grounds for disqualifying an application.

2. Participants lacking the qualifications necessary to carry out the project will be encouraged to joint venture with individuals/groups that can provide these qualifications.

(d) At least 50 percent of the low and moderate income units to be funded shall be affordable to low income households. The following are exempt from this requirement:

1. Homeownership projects which are located in target areas or urban aid municipalities and are not part of a Regional Contribution Agreement; and

2. Neighborhood rehabilitation projects funded in municipalities with an indigenous need of 30 or less or which are located in target areas or urban aid municipalities and are not part of a Regional Contribution Agreement.

(e) Balanced Housing funding recipients shall contract with either the Affordable Housing Management Service (AHMS) or with a private entity approved in accordance with N.J.A.C. 5:43-4.1(b)4 and 5 in order to monitor affordability controls. If a recipient elects not to use AHMS, any fees charged in excess of those allowed in accordance with Appendix A shall be borne by the developer.

(f) With the exception of owner-occupied units funded through Neighborhood Rehabilitation Projects, units funded through the Balanced Housing Program must remain affordable for the time period which is required by N.J.A.C. 5:93-9.2.

(g) If a sponsor/developer is undertaking a reconstruction and one or more of the units is currently occupied, the occupied unit(s) shall be eligible only if the household occupying the unit is certified to be income eligible. If any current occupants will be relocated, this action must be completed in accordance with an approved Workable Relocation Assistance Plan (WRAP), pursuant to N.J.S.A. 20:4-1 et seq. and 52:31B-1 et seq.

(h) The methodology for determining the maximum Balanced Housing subsidy is explained in N.J.A.C. 5:43-3.3 through 3.12 for each type of project.

1. The Commissioner may, at his or her discretion, award less than the maximum subsidy, structure the assistance as a secured loan, with or without interest, or provide additional assistance for short term financing, including construction and/or bridge loans, if needed, to ensure project feasibility.

(i) The amount of Balanced Housing funds reserved for a project shall be based on the information provided in the application and shall fund only the gap between project cost and other revenue.

1. The Department shall also take into account the following factors in determining the amount of subsidy:

i. Whether there is any other source of funds which can be used to undertake this activity. The Department expects the applicant to use all possible private resources and non-Balanced Housing subsidies; and

ii. Whether the project can be achieved without Balanced Housing subsidy.

iii. Notwithstanding (i)1i and ii above, the Department shall not penalize any application in which the municipality has pledged funds in accordance with N.J.A.C. 5:93-5.5(a)3ii.

(j) Balanced Housing funding shall not be used as a substitute for private financing where the latter is feasible and attainable.

(k) The developer must submit a detailed cost break out and, upon completion of construction and prior to project close out, cost certification by a certified public accountant.

(l) In all instances, Balanced Housing funds shall be awarded to the municipality as a grant. With the exception of Neighborhood Rehabilitation and Landlord Projects, the municipality shall provide the Balanced Housing funds for a rental unit to the developer as a loan. All such loans shall be secured by a mortgage and a note which shall be repayable to the Department. All terms and conditions of the loan documents shall be subject to approval by the Department.

(m) The maximum interest rate charged for a Balanced Housing loan shall be equal to the yield rate on a 30 year Treasury bond at the time of commitment unless a higher rate is requested by the developer.

(n) Balanced Housing funds may be provided to a project during the development phase as a construction loan where project feasibility requires supplementing private sources of construction financing. The terms and conditions of the construction loan provided by the Balanced Housing Program shall be at the discretion of the Department. The Department shall subordinate its construction loan to the lien of another construction lender provided that the sponsor/developer provides evidence that the subordination is necessary to achieve project feasibility.

(o) In cases where Balanced Housing funds are made available during construction, the Department shall subordinate the Balanced Housing construction loan to the lien of a permanent lender(s) upon completion of the construction of the project and on terms and conditions determined at the discretion of the Department. After a project's permanent financing is in place and after the project has been placed in service, the Department shall consider honoring a request to subordinate its mortgage to the lien of another lender, provided that the sponsor/developer provides evidence to the satisfaction of the Department that the project income can service an increased level of private debt and that some public benefit will result from honoring the request to subordinate the Department's mortgage. An initial funding commitment to the project by the Department shall not constitute a commitment to subordinate the Balanced Housing loan after the initial permanent financing has been accomplished and after the project has been placed in service.

1. The sponsor/developer shall submit a request for subordination to the Division Director. The decision of the Division Director shall be presented in writing and shall be final. The request for subordination shall include:

- i. An up-to-date income and expense statement;
- ii. A mortgage commitment regarding the proposed refinancing;
- iii. Verification that reserves are at required levels;
- iv. A statement regarding project vacancies, turnover and anticipated major expenditures;
- v. An explanation of the public benefit that will occur. It shall be considered to be of public benefit if refinancing the project results in cash that will be utilized to:

(1) Perform necessary repairs in the project that cannot be funded by the accumulated reserves;

(2) Provide a source of development funding to create additional units that will be affordable to low and moderate income occupants; or

(3) Allow the sponsor/developer to increase the time period during which units will be affordable to low and moderate income households; and

vi. Any additional information that the Department may deem necessary in order to make a determination.

(p) Any developer/sponsor of a project which is eligible to receive Federal low income housing tax credits and which is greater than 11 units shall be required to apply to the competitive cycle for the credits and shall be required to use the proceeds of any sale of those credits as a source of development funding for the project.

1. The Commissioner at his or her discretion may waive this requirement for projects of 12 to 20 units if the

sponsor/ developer demonstrates good cause not to seek the credits. Such good cause may include, but shall not be limited to, an inability to sell the credits or a negative or marginal benefit because of the cost of syndication. Evaluation and determination of good cause shall be at the sole discretion of the Commissioner on a case-by-case basis.

2. In the event the credits are obtained, the Department shall calculate their value to the project as a funding source regardless of whether they are sold or held by the developer.

3. If a sponsor/developer applies for tax credits and is unsuccessful, the Department, at the sole discretion of the Commissioner and on a case-by-case basis, shall consider providing Balanced Housing funds without tax credits if the sponsor/developer demonstrates either:

i. That the application for the tax credits achieved all of the points within the applicant's control; or

ii. That there is good cause as to why this is not the case.

4. A sponsor/developer who fails to satisfy either (p)3i or ii above shall be required to enter the next tax credit round.

(q) It is the intent of the Balanced Housing program to make units equally available to any eligible household regardless of whether or not the household has Section 8 tenant based assistance. Balanced Housing projects shall be underwritten without the assumption of Section 8 tenant based assistance and shall not be marketed exclusively or primarily to households receiving such assistance. To the extent that any such assistance creates excess cash flow to the project, the Department may seek to accelerate repayment of the Balanced Housing loan.

(r) The average range of affordability for units funded shall not exceed 57.5 percent.

(s) With the exception of neighborhood rehabilitation projects and acquisition/rehabilitation projects, all applicants shall demonstrate control of the project site by holding title, by a sales contract, by an option to purchase, by designation by the municipality as designated developer or by any other means which the Division Director may approve.

Amended by R.1992 d.144, effective April 6, 1992.

See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).

Text on threshold criteria deleted; text on general provisions added.

Amended by R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Rewrote section.

Amended by R.1998 d.438, effective September 8, 1998.

See: 30 N.J.R. 1880(a), 30 N.J.R. 3239(b).

In (b), added a second sentence; in (g), substituted a reference to reconstruction for a reference to substantial rehabilitation in the first sentence; in (i)1, substituted "can" for "shall" and "subsidy" for "funds" in ii and added iii; and rewrote (p).

### 5:43-3.2 Types of projects

(a) The Department shall only fund projects falling into at least one of the following categories, which are further described in N.J.A.C. 5:43-3.3 through 3.12.

1. Permanent Housing for Persons with Handicaps Projects
2. Rental projects
3. Two-family projects;
4. Homeownership Projects;
5. Acquisition/Rehabilitation Projects;
6. Section 202, Section 811 and Public Housing New Construction Projects;
7. Neighborhood Rehabilitation Projects;
8. Landlord Projects;
9. Matching funds projects; and
10. Other Projects.

Amended by R.1992 d.144, effective April 6, 1992.  
See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).

Text on competitive criteria deleted; text on types of projects added.  
Amended by R.1996 d.226, effective May 20, 1996.  
See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).  
Rewrote section.

### 5:43-3.3 Permanent housing for persons with handicap projects

(a) The Balanced Housing Program may provide funding for the construction, reconstruction, or conversion of units that will provide permanent housing for income eligible households which contain one or more persons with a handicap.

1. Eligible projects may include, but are not limited to, residential health care facilities as regulated by the New Jersey Department of Health; group homes for the physically and/or developmentally disabled and mentally ill as licensed and/or regulated by the New Jersey Department of Human Services; and congregate living arrangements.

(b) In such projects, the form and amount of Balanced Housing assistance shall be at the discretion of the Department, but shall not exceed that amount which is provided by other public and private funding sources (that is, 50 percent of total project cost).

New Rule R.1992 d.144, effective April 6, 1992.  
See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).  
Amended by R.1996 d.226, effective May 20, 1996.  
See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

In (a) deleted qualifying requirement and added homes for physically disabled.

Amended by R.1998 d.438, effective September 8, 1998.  
See: 30 N.J.R. 1880(a), 30 N.J.R. 3239(b).

In (a), substituted a reference to reconstruction for a reference to substantial rehabilitation in the introductory paragraph.

### 5:43-3.4 Rental projects

(a) The Balanced Housing Program may provide assistance to eligible applicants for use by for-profit or not-for-profit housing sponsors who provide new rental housing units for occupancy by low and moderate income households. Eligible activities shall include new construction, reconstruction, and the conversion of non-residential structures.

1. The buy-down of new units which are not deed restricted in order to make them affordable is also eligible.

(b) The maximum allowable subsidy for a rental unit shall be determined in accordance with Appendix B to this chapter if the project is located in a target area or in an urban aid municipality or in accordance to Appendix C of this chapter if the project is located in a nonurban aid municipality and is not in a target area.

(c) Applicants may combine a rental project with a homeownership project.

New Rule R.1992 d.144, effective April 6, 1992.

See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).

Amended by R.1995 d.339, effective June 19, 1995.

See: 27 N.J.R. 1508(a), 27 N.J.R. 2385(a).

Rewrote (c), which previously had limited the maximum allowable subsidy to that determined in Appendix C.

Amended by R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Rewrote section.

Amended by R.1998 d.438, effective September 8, 1998.

See: 30 N.J.R. 1880(a), 30 N.J.R. 3239(b).

In (a), substituted a reference to reconstruction for a reference to substantial rehabilitation in the last sentence.

### 5:43-3.5 Two-family projects

(a) The Balanced Housing Program may provide assistance to eligible applicants for use by for-profit and not-for-profit housing sponsors who provide homeownership and rental opportunities for low and moderate income households via the production of two-family homes wherein one of the two units is owner-occupied. Eligible activities shall include new construction and reconstruction.

(b) The maximum allowable subsidy for a two-family project shall be the sum of:

1. For rental units, the amount determined in accordance with Appendix B to this chapter if the project is located in a target area or in an urban aid municipality or in accordance with Appendix C of this chapter if the project is located in a nonurban aid municipality and not in a target area; plus

2. The greater of the number of homeowner units multiplied by \$15,000 for projects located in nonurban aid municipalities and not in target areas or \$18,000 for projects located within target areas or urban aid municipalities; or the amount of subsidy the homeowner units are eligible to receive based on Appendix D of this chapter if the project is located in a target area or in an urban aid municipality or Appendix E of this chapter if the project is located in a nonurban aid municipality and is not in a target area. If Appendix D or Appendix E is used, the applicable price shall be the contract sales price of the two-family house.

(c) Balanced Housing shall fund only those projects wherein both the homeowner unit and the rental unit are Balanced Housing units.

(d) Applicants for two-family projects shall make provisions for the on-going viability of the project including, but not limited to, homeowner training and the establishment of adequate reserves.

New Rule R.1992 d.144, effective April 6, 1992.

See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).

Amended by R.1995 d.339, effective June 19, 1995.

See: 27 N.J.R. 1508(a), 27 N.J.R. 2385(a).

Rewrote (c), which previously had limited the maximum allowable subsidy to that determined in Appendix C.

Repeal and New Rule, R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Section was "Purchase/rental projects".

Amended by R.1998 d.438, effective September 8, 1998.

See: 30 N.J.R. 1880(a), 30 N.J.R. 3239(b).

In (a), substituted a reference to reconstruction for a reference to substantial rehabilitation at the end of the last sentence.

### 5:43-3.6 Homeownership projects

(a) The Balanced Housing Program may provide assistance to eligible applicants for use by for-profit and not-for-profit housing sponsors who provide homeownership opportunities to low and moderate income households through new construction, reconstruction or the conversion of non-residential structures.

1. The buy-down of new units off the open market in order to make them affordable is also eligible.

(b) Qualifying units must be new and must be sold at affordable prices.

(c) Condominium and cooperative as well as fee simple ownership forms are eligible.

(d) The maximum subsidy for homeownership projects shall be determined in accordance with Appendix D to this chapter, incorporated herein by reference, if the project is located in a target area or in an urban aid municipality or in accordance with Appendix E, incorporated herein by reference, if the project is located in a nonurban aid municipality and is not within a target area.

(e) Applicants may combine a homeownership project with a rental project.

(f) Applicants for homeownership projects shall make provisions for the on-going viability of the project including, but not limited to, homeowner training.

New Rule R.1992 d.144, effective April 6, 1992.

See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).

Amended by R.1995 d.339, effective June 19, 1995.

See: 27 N.J.R. 1508(a), 27 N.J.R. 2385(a).

Rewrote (e) and added the provisions in Appendices B and C concerning studios.

Recodified from 5:14-3.7 and amended by R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Section was "Single room occupancy projects".

Amended by R.1998 d.438, effective September 8, 1998.

See: 30 N.J.R. 1880(a), 30 N.J.R. 3239(b).

In (a), substituted a reference to reconstruction for a reference to substantial rehabilitation in the introductory paragraph.

### 5:43-3.7 Acquisition/rehabilitation projects

(a) The Balanced Housing Program may provide assistance to eligible applicants wishing to acquire or acquire and moderately rehabilitate existing, vacant housing for occupancy by low and moderate income households. Occupancy may be either rental or homeownership. Units acquired up to two years prior to the application which are substandard at the time of application are eligible.

(b) The maximum Balanced Housing subsidy for an Acquisition Rehabilitation Project shall be \$17,500 for a one-bedroom unit and \$2,500 for each additional bedroom, plus \$5,000 for each unit which is to be provided as a low-income rental plus an additional \$5,000 per unit if the household to be served includes one or more persons with a handicap and the unit is or will be modified in order to accommodate such households.

(c) All units assisted must be vacant at the time of acquisition. The Division may waive this requirement if the households to be served are senior citizens, persons with a handicap or single parents or if the applicant can demonstrate that this project will prevent the imminent loss of affordable units and the displacement of low and moderate income households. Condominium conversion is not, in and of itself, considered evidence of imminent loss.

(d) Upon occupancy, units must meet HUD Section 8 Housing Quality Standards, incorporated herein by reference, as amended and supplemented, available from the Department of Housing and Urban Development, 451 Seventh St. SW, Washington, D.C. 20410, or any applicable State or local housing code that is more stringent. The sponsor need not identify specific buildings when applying for funds but should identify a neighborhood or group of buildings.

(e) Except as noted in (c) above, the acquisition or acquisition and rehabilitation of units that are already in standard condition and affordable but not deed restricted to low and moderate income households shall only be permitted insofar as the proposed activity will lower the range of affordability.

(f) Sponsors of acquisition/rehabilitation projects shall be required to demonstrate ongoing management capacity and financial feasibility of the project for the length of the control period including, but not limited to, the provision of sufficient reserves to ensure the timely repair and replacement of any systems not addressed during the initial rehabilitation.

New Rule R.1992 d.144, effective April 6, 1992.

See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).

Recodified from 5:14-3.8 and amended by R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Former section, "Homeownership projects", recodified to 5:14-3.6.

### 5:43-3.8 Section 202, Section 811 and public housing new construction projects

(a) The Balanced Housing Program may provide assistance to eligible applicants applying on behalf of public housing authorities and not-for-profit sponsors to construct projects in accordance with Section 202 of the Housing Act of 1959 (12 U.S.C. 1709), Section 811 of the National Affordable Housing Act (PL 101-625) or the U.S. Housing Act of 1937 (92 U.S.C. 1437 et seq.). These grants are subject to the following limitations:

1. The total Balanced Housing subsidy shall not exceed 15 percent of the total project cost;
2. The improvements are reasonable, functional and shall benefit the residents of the project; and
3. The improvements to be funded by Balanced Housing shall either be prohibited by the HUD cost containment policy or add to the project cost beyond the amount that can be supported by the HUD loan.

(b) Eligible Balanced Housing costs include the following: outdoor lighting, access roads, land, air conditioning, sprinkler systems, on and off-site improvements, intercoms, and directly related "soft" costs, such as fees for professional and financial services, within standard underwriting limits, landscaping to buffer the building, and improvements required by applicable municipal codes that are more strict than required by the State, provided that a responsible municipal official submits an adequate written justification.

1. Cosmetic and facade improvements, and improvements made solely for the purpose of allaying public opposition or to improve the esthetics of the surrounding neighborhood, are ineligible.

(c) Applications for a Section 202, Section 811 or Public Housing New Construction Project must include a conditional or final commitment from HUD.

New Rule R.1992 d.144, effective April 6, 1992.

See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).

Recodified from 5:14-3.9 and amended by R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Former section, "Acquisition/rehabilitation projects", recodified to 5:14-3.7.

### 5:43-3.9 Neighborhood rehabilitation projects

(a) The Balanced Housing Program may provide assistance to eligible applicants to identify and moderately rehabilitate substandard units in one-to-four family owner occupied structures within a specified eligible neighborhood.

(b) The maximum Balanced Housing grant to a municipality under a Neighborhood Rehabilitation Agreement shall be \$300,000.

(c) Rehabilitation activity shall average at least \$8,000 per unit over the contract period. The municipality may use the lesser of 16 percent of the grant or \$2,000 per unit to administer the program.

(d) Applicants shall demonstrate to the satisfaction of the Division the existence of an active, systematic code enforcement program or a commitment to establish one within 90 days of the start date of a Balanced Housing contract.

(e) The following shall apply to municipalities administering a Neighborhood Rehabilitation Project:

1. Neighborhood Rehabilitation assistance is limited to one-to-four unit, owner-occupied structures; and
2. No Balanced Housing assistance shall be provided to occupied housing units unless the occupants have been certified as low or moderate income.

(f) In cases where a two-to-four unit structure is rehabilitated with Balanced Housing funds and one or more of the units are not assisted with Balanced Housing or required matching funds, a percentage of the cost of common area and system wide improvements equal to the percentage of unassisted units shall be paid by the owner. If the structure is owner-occupied and the owner can demonstrate extreme financial hardship, the Division may modify or waive this requirement.

(g) The maximum Balanced Housing Program assistance to any one unit may not exceed the following:

1. For owner-occupied units, \$25,000; or
2. For renter-occupied units, the lesser of \$10,000 or 75 percent of the rehabilitation cost; except that, if an owner can demonstrate extreme financial hardship, the Division may waive or modify the requirement to match funds for rental units.

(h) The local construction official or licensed housing inspector must certify that each unit to be rehabilitated with Balanced Housing funds is substandard, that is, that health and safety code violations exist, and that abating those code violations requires that one or more of the following major systems be replaced or extensively repaired: roof, electrical, plumbing, sanitary plumbing, heating or load bearing structural systems.

(i) Any structure repaired in whole or in part with Balanced Housing funds must, upon completion, be certified by the local construction official or other public official having jurisdiction to be free of code violations in accordance with the HUD Section 8 Housing Quality Standards or any applicable State or local housing code that is more stringent.

(j) Balanced Housing funds may be used only for work and repairs required to make a unit standard and any other work or repairs (including finishing and painting) that is directly related to the required activities. Improvements which are exclusively cosmetic and the purchase of free-standing appliances (not including refrigerators or stoves) are prohibited.

New Rule R.1992 d.144, effective April 6, 1992.

See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).

Recodified from 5:14-3.10 and amended by R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Former section, "Section 202 and public housing new construction projects", recodified to 5:14-3.8.

### 5:43-3.10 Landlord projects

(a) The Balanced Housing Program may provide assistance to eligible applicants for use by one or more landlords in the moderate rehabilitation of their units affordable to low and moderate income households.

(b) The maximum Balanced Housing grant to a municipality for a Landlord Project provided on behalf of a for-profit landlord shall be \$7,500 multiplied by the number of units to be rehabilitated, not to exceed a total of \$250,000, except as specified in (e) below. The for-profit landlord shall match Balanced Housing dollars on a one to one basis.

(c) The maximum Balanced Housing grant to a municipality for a landlord project provided on behalf of a not-for-profit landlord shall be \$10,000 multiplied by the number of units to be rehabilitated not to exceed a total of \$330,000, except as specified in (e) below.

(d) Housing Authorities may qualify as not-for-profit owners, but must demonstrate that they are in good standing with HUD and that insufficient Comprehensive Improvement Assistance Program (C.I.A.P.) funding is available to complete this project.

(e) In cases where a landlord is rehabilitating a single building and rehabilitation on a smaller scale is not practical, the maximum grant may equal the sum of the per unit subsidies.

(f) All units to be rehabilitated must be identified prior to a funding commitment from the Department.

(g) The following shall apply to all Balanced Housing landlord project grant agreements:

1. The owner must agree to maintain the units in standard condition for the life of the affordability controls. During the period of the affordability controls, units with subsequent violations must be repaired at the owner's expense; and

2. The municipality must agree to recertify the units as standard at regular intervals of two years or less.

(h) In cases where a structure is rehabilitated with Balanced Housing funds and one or more of the units are not affordable, the cost of common area and system-wide improvements to be paid by the owner shall be proportionate to the number of units that are not Balanced Housing units divided by the total number of units.

(i) The local construction official or licensed housing inspector must certify that each unit to be rehabilitated with Balanced Housing funds is substandard, that is, health and safety code violations exist, and that abating those code violations requires that one or more of the following major systems must be replaced or extensively repaired: roof, electrical, plumbing, sanitary plumbing, heating or load bearing structural systems.

(j) Any structure rehabilitated in whole or in part with Balanced Housing funds must, upon completion, be certified by the local construction official or other public official having jurisdiction to be free of code violations in accordance with the HUD Section 8 Housing Quality Standards or any applicable State or local housing code that is more stringent.

(k) Balanced Housing funds may be used only for work required to make a unit standard and any other work (including finishing and painting) that is directly related to the required activities. Luxury improvements, improvements that are strictly cosmetic, and the purchase of free-standing appliances other than refrigerators and stoves are prohibited.

New Rule R.1992 d.144, effective April 6, 1992.

See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).

Recodified from 5:14-3.11 and amended by R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Former section, "Neighborhood rehabilitation projects", recodified to 5:14-3.9.

Amended by R.1998 d.438, effective September 8, 1998.

See: 30 N.J.R. 1880(a), 30 N.J.R. 3239(b).

In (j), substituted a reference to rehabilitated structures for a reference to repaired structures; and in (k), deleted references to repairs.

### 5:43-3.11 Matching funds projects

(a) The Balanced Housing Program may provide assistance to eligible applicants applying on behalf of projects which require matching funds in order to secure other financing which, without the match, would be lost to the State of New Jersey.

(b) The maximum award for such projects shall be equal to the minimum amount which is required to obtain the financing.

New Rule R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Former section, "Landlord projects", recodified to 5:14-3.10.

### 5:43-3.12 Other projects

(a) In addition to previously listed types of Balanced Housing projects, the Department reserves the right to fund projects that do not fit into any of these formats. Such projects may include, but shall not be limited to, pilot programs, those that are unique in terms of development, ownership, occupancy characteristics, and transitional facilities for the homeless.

(b) In such projects, the form and amount of Balanced Housing assistance shall be at the discretion of the Commissioner.

New Rule R.1992 d.144, effective April 6, 1992.  
See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).  
Amended by R.1996 d.226, effective May 20, 1996.  
See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).  
Renamed section and rewrote (a).

## SUBCHAPTER 4. AFFORDABILITY CONTROLS

### 5:43-4.1 Affordability control provisions

(a) The purpose of the affordability control procedures is to provide the means for ensuring that housing units provided for low and moderate income households through a grant or loan agreement funded by the Neighborhood Preservation Balanced Housing Program, pursuant to N.J.S.A. 52:27D-320, remain affordable to and occupied by income eligible households for at least 30 years from the date initial restrictions encumber the unit unless a lesser period of time has been approved by the Division of Housing and Community Resources, Department of Community Affairs.

(b) In order to enter into a grant or loan agreement, the Neighborhood Preservation Balanced Housing Program must have contractual guarantees and provisions that ensure that any unit of housing receiving funding through this program shall remain affordable to and occupied by low and moderate income-eligible households for the prescribed time period.

1. The Affordable Housing Management Service is established within the Division to administer affordability controls for the Neighborhood Preservation Balanced Housing Program. Balanced Housing funding recipients may utilize these services for a fee, as described at (c) below, by signing a contract addendum for inclusion in the funding contract.

2. The current Affordable Housing Management Service fee schedule is set forth in (c) below. The fee schedule shall be reassessed periodically and revised if necessary in accordance with the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq.

3. In projects also receiving Federal funding including but not limited to Section 202 of the U.S. Housing Act of 1959 (P.L. 86-372), Section 811 of the National Affordable Housing Act (P.L. 101-625) or Section 23, U.S. Housing Act of 1937 (P.L. 89-117) which are subject to more restrictive regulations by separate contract and are in effect for the specified Balanced Housing affordability control period, the more restrictive regulations shall prevail. On receipt of verification of such a separate contract, monitoring approval shall be granted to the project sponsor.

4. It is the intent of these rules to assure long-term compliance with affordability control measures for all units receiving Balanced Housing funding. The Division prefers that affordability controls required by the Balanced Housing contracts be administered by the Affordable Housing Management Service. The Division, however, acknowledges that a private entity may be interested in providing these administrative services. Private entities must be able to demonstrate the ability to provide a continuing administrative responsibility for the length of the period of controls. Project developers may contract with a private entity which has submitted a proposal for review to the Affordable Housing Management Service and has received approval to act as an administrative agent. All proposals shall include verification of capacity and potential for longevity on behalf of any Balanced Housing project and shall provide evidence of the following:

- i. Documentation which demonstrates that a purpose of the organization is to provide housing services and housing counseling and to promote federal Fair Housing principals and a knowledge of the New Jersey Fair Housing Act and its implementing regulations;
- ii. A history of experience with the management of restricted affordable housing projects particularly those produced as a result of the Fair Housing Act, P.L. 1985, c.222 (N.J.S.A. 52:27D-320) or through a Mount Laurel court settlement;
- iii. Assurance that no conflict of interest or appearance of conflict of interest exists with the builder, developer, or municipal government involved in the project to be monitored;
- iv. A statement of intent to administer long-term affordability controls and to comply with all monitoring requirements as contained in these rules signed by the municipality and the developer;
- v. A current audit report and permission to access records;
- vi. A statement of intent to attend continuing education opportunities on affordability controls and compliance monitoring when available;

vii. Such other relevant documents from a specific applicant as required by the Affordable Housing Management Service to justify approval.

5. Proposals shall be submitted to the New Jersey Department of Community Affairs, Division of Housing and Community Resources, Affordable Housing Management Service, PO Box 806, Trenton, New Jersey 08625-0806. An application fee of \$750.00 shall be required to cover the review and approval of an initial proposal. A subsequent review fee of \$500.00 shall be required to cover the review and approval of each additional project for the same entity. Each approved applicant shall be required to make a \$25.00 per unit deposit into an insurance contingency fund for purposes of reestablishing compliance if and when it becomes necessary. As an alternative, applicants may provide proof of an "errors and omissions" insurance policy that would cover the cost to the Division of recovering the project and bringing it into compliance. Proposals shall be approved on a project-by-project basis.

(c) The Affordable Housing Management Service fee schedule is as follows:

Initial contract fee (sales and rental) per unoccupied unit;	
To be charged to developer or municipality	\$500.00
Resale occupancy per unit:	
To be charged to seller at closing	\$500.00
Initial contract (sales and rental) for an occupied unit:	
To be charged to municipality at initial contract	\$250.00
Rental occupancy per unit:	
To be charged to property owner/landlord at leasing	\$200.00

1. The fee schedule shall be reassessed annually and revised as needed pursuant to N.J.S.A. 52:27-D and approved by the State Treasurer. The resale fee in effect at the time of each resale contractual agreement shall prevail. The rental fee in effect at the time of releasing shall prevail.

2. Initial contract fees for sales and rentals shall be billed and collected on signing a Balanced Housing contract with a municipality or a developer. Municipalities and developers shall have an option of paying for their entire unit inventory at the prevailing fee at the time of initial contract or negotiating an installment plan. If payment is delayed, municipalities or developers shall be charged the initial contract fee in effect at the time of the delayed payment.

3. Subsequent reoccupancy fees will be billed and collected at time of sales closing or lease agreement (rentals).

4. This fee schedule (effective \_\_\_\_\_) has been approved by the State Treasurer, effective November 22, 1993.

Amended by R.1990 d.100, effective February 5, 1990.

See: 21 N.J.R. 3695(a), 22 N.J.R. 337(a).

Established Affordable Housing Management Service to administer affordability controls and established \$300.00 per unit fee.

Amended by R.1995 d.594, effective November 20, 1995.

See: 27 N.J.R. 3256(a), 27 N.J.R. 4698(a).

Amended by R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Rewrote section.

**5:43-4.2 Affordable Housing Agreement**

(a) An Affordable Housing Agreement (hereinafter "the Agreement") shall be signed and recorded with the recording office of the county in which the Balanced Housing unit/units (with the exception of Neighborhood Rehabilitation owner-occupied single family units) is/are located. The provisions of the Agreement shall constitute restrictive covenants running with the land with respect to the Balanced Housing units described and identified in the Agreement.

1. The Agreement shall set forth the terms, conditions, restrictions, and provisions applicable to the Balanced Housing units. The terms, conditions, restrictions and provisions of the instrument shall bind all purchasers and owners of the Balanced Housing units, their heirs, assigns and all persons claiming by, through or under heirs, assigns and administrators.

2. When a single Agreement is used to govern more than one Balanced Housing unit, the Agreement must contain a description of each unit governed by the Agreement and the expiration date to be imposed on the unit.

3. This Agreement shall be executed by the Division and the owner or the then current title holder of record of the property upon which the Balanced Housing units are to be situated prior to its recording unless the municipality has an alternative affordability plan approved by the Department in which case the Agreement shall be executed by the grantee municipality and the owner.

(b) All deeds of conveyance and leases from all owners to certified purchasers or renters of Balanced Housing units shall include the following clause in a conspicuous place:

"The Owner's right, title and interest in this unit and the use, sale, resale and rental of this property are subject to the terms, conditions, restrictions, limitations and provisions as set forth in the AFFORDABLE HOUSING AGREEMENT which has been filed concurrently with the property deed or a deed of easement in the office of the Clerk of \_\_\_\_\_ County and is also on file with the N.J. Department of Community Affairs."

1. Any master deed that includes a Balanced Housing unit shall also reference the affordable unit and the Affordable Housing Agreement and any variation in services, fees, or other terms of the master deed that differentiates the affordable unit from all other units covered in the master deed.

(c) The Affordable Housing Agreement shall list the following restrictions:

2. The owner shall remain fully obligated, responsible and liable for complying with the terms and restrictions of the Agreement until such time as title is conveyed to a new owner.

(d) In the event that the Balanced Housing unit is a rental unit, and the owner has leased such unit either for a rental charge in excess of that permitted by the Agreement or to a tenant who has not been certified by the Division, the Division shall have recourse to all legal remedies as stated above, including the recapture of surplus rents paid in excess of the maximum permitted Rental Charge.

Recodified from 5:14-4.9 and amended by R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Former section, "Foreclosure", recodified to 5:14-4.7.

**5:43-4.9 Effective dates for affordability controls**

(a) For units created and rehabilitated with Balanced Housing funds, affordability controls shall be effective as of the date initial restrictions encumber the unit as required by the Balanced Housing Grant Agreement.

(b) For rental units created or rehabilitated with Balanced Housing funds, affordability controls shall remain in effect after the expiration date as required by the Balanced Housing Grant Agreement until the date on which a rental unit shall become vacant provided that the occupant household continues to earn a gross annual income of less than 80 percent of the applicable median income.

(c) The affordability control periods shall be established according to N.J.A.C. 5:43-3.1(f) and shall begin as follows:

1. For sales units, on the date of the initial sales closing transaction by a certified household;
2. For rental housing containing two or more units, on the effective date of an initial lease agreement with a certified household or when permanent certificates of occupancy are issued, whichever is later, or as determined by the Division; and
3. For single-family housing which is rented, on the effective date of an initial lease agreement with a certified household.

Amended by R.1992 d.144, effective April 6, 1992.

See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).

Stylistic changes.

Recodified from 5:14-4.10 and amended by R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Former section, "Violations, defaults and remedies", recodified to 5:14-4.8.

**5:43-4.10 Applicability**

This subchapter shall be effective for housing units receiving funding from the Division under the Neighborhood Preservation Balanced Housing Program on the basis of funding agreements executed before the effective date of

the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26, October 1, 2001. For housing units receiving funding based on funding agreements executed on or after that date, this subchapter shall be inapplicable, and the units shall be subject to the Uniform Housing Affordability Controls set forth at N.J.A.C. 5:80-26.

Recodified to 5:14-4.9 by R.1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

Section was "Length of restrictions".

New Rule, R.2001 d.371, effective October 1, 2001.

See: 33 N.J.R. 226(b), 33 N.J.R. 3432(a).

**APPENDIX A**

(RESERVED)

Amended by R.1992 d.144, effective April 6, 1992.

See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).

Phillipsburg added.

Repealed by R1996 d.226, effective May 20, 1996.

See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

**APPENDIX B**

Target Areas and Urban Aid Municipalities—  
Maximum Subsidy Rental Units

Rent *	Studio/SRO	1BR	2BR	3BR	4BR
1,500 or more	1,000	1,000	1,000	1,000	1,000
1,025	1,000	1,000	1,000	1,000	3,000
1,000	1,000	1,000	1,000	1,000	5,500
975	1,000	1,000	1,000	2,000	8,000
950	1,000	1,000	1,000	4,500	10,500
925	1,000	1,000	1,000	7,000	13,000
900	1,000	1,000	3,500	9,500	15,500
875	1,000	1,000	6,000	12,000	18,000
850	1,000	2,500	8,500	14,500	20,500
825	1,000	5,000	11,000	17,000	23,000
800	1,000	7,500	13,500	19,500	25,500
775	1,000	10,000	16,000	22,000	28,000
750	1,000	12,500	18,500	24,500	30,500
725	1,000	15,000	21,000	27,000	33,000
700	2,500	17,500	23,500	29,500	35,500
675	5,000	20,000	26,000	32,000	38,000
650	7,500	22,500	28,500	34,500	40,500
625	10,000	25,000	31,900	37,000	43,000
600	12,500	27,500	33,500	39,500	45,500
575	15,000	30,000	36,000	42,000	48,000
550	17,500	32,500	38,500	44,500	50,500
525	20,000	35,000	41,000	47,000	53,000
500 or less	20,000	35,000	41,000	49,500	55,500

\* Rent includes tenant paid utilities. For rents in between those listed, interpolate.

**ADJUSTMENTS:**

**1. Unit Size:**

The Balanced Housing funding charts are based on certain assumptions regarding unit size. These assumptions are:

Studio	500 Sq. Ft.
1 Bedroom	600 Sq. Ft.
2 Bedrooms	750 Sq. Ft.
3 Bedrooms	950 Sq. Ft.
4 Bedrooms	1,150 Sq. Ft.

Studio	500 Sq. Ft.
1 Bedroom	600 Sq. Ft.
2 Bedrooms	750 Sq. Ft.
3 Bedrooms	950 Sq. Ft.
4 Bedrooms	1,150 Sq. Ft.

For units that are smaller than the sizes listed above, subtract \$50.00 for each square foot below the size indicated:

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In determining unit size, the Department will consider the net square foot size, that is the area inside the unit. Excluded from the calculation are common halls, stairways, unfinished basements and attics, garages, balconies and porches. See N.J.A.C. 5:43-2.4(a)7 for waiver provisions.

In determining unit size, the Department will consider the net square foot size, that is the area inside the unit. Excluded from the calculation are common halls, stairways, unfinished basements and attics, garages, balconies and porches. See N.J.A.C. 5:43-2.4(a)7 for waiver provisions.

The maximum allowable subsidy for any rental unit receiving a project-based Section 8 certificate from the United States Department of Housing and Urban Development or any equivalent project-based subsidy shall be \$15,000.

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New Rule R.1992 d.144, effective April 6, 1992.  
 See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).  
 Amended by R.1995 d.339, effective June 19, 1995.  
 See: 27 N.J.R. 1508(a), 27 N.J.R. 2385(a).  
 Amended by R.1996 d.226, effective May 20, 1996.  
 See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

New Rule R.1992 d.144, effective April 6, 1992.  
 See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).  
 Amended by R.1995 d.339, effective June 19, 1995.  
 See: 27 N.J.R. 1508(a), 27 N.J.R. 2385(a).  
 Amended by R.1996 d.226, effective May 20, 1996.  
 See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

**APPENDIX C**

Nonurban Aid Municipalities—Maximum Subsidy Rental Units

Rent *	Studio/SRO	1BR	2BR	3BR	4BR
\$975 or more	1,000	1,000	1,000	1,000	1,000
950	1,000	1,000	1,000	1,000	2,500
925	1,000	1,000	1,000	1,000	5,000
900	1,000	1,000	1,000	2,500	7,500
875	1,000	1,000	1,000	5,000	10,000
850	1,000	1,000	2,500	7,500	12,500
825	1,000	1,000	5,000	10,000	15,000
800	1,000	2,500	7,500	12,500	17,500
775	1,000	5,000	10,000	15,000	20,000
750	1,000	7,500	12,500	17,500	2,500
725	1,000	10,000	15,000	20,000	25,000
700	1,000	12,500	17,500	22,500	27,500
675	1,000	15,000	20,000	25,000	30,000
650	2,500	17,500	22,500	27,500	32,500
625	7,500	20,000	25,000	30,000	35,000
600	10,000	22,500	27,500	32,500	37,500
575	12,500	25,000	30,000	35,000	40,000
550	15,000	27,500	32,500	37,500	42,500
525	17,500	30,000	35,000	40,000	45,000
500 or less	17,500	30,000	35,000	42,500	47,500

\* Rent includes tenant paid utilities. For rents in between those listed, interpolate.

**APPENDIX D**

Target Areas and Urban Aid Municipalities—Maximum Subsidy Homeownership Units

Sales Price *	1BR	2BR	3BR	4BR
97,000 and up	1,000	1,000	1,000	1,000
95,000	1,000	1,000	1,000	3,000
92,500	1,000	1,000	1,000	5,500
90,000	1,000	1,000	2,000	8,000
87,500	1,000	1,000	4,500	10,500
85,000	1,000	1,000	7,000	13,000
82,500	1,000	3,500	9,500	15,500
80,000	1,000	6,000	12,000	18,000
77,500	2,500	8,500	14,500	20,500
75,000	5,000	11,000	17,000	23,000
72,500	7,500	13,500	19,500	25,500
70,000	10,000	16,000	22,000	28,000
67,500	12,500	18,500	24,500	30,500
65,000	15,000	21,000	27,000	33,000
62,500	17,500	23,500	29,500	35,500
60,000	20,000	26,000	32,000	38,000
57,500	22,500	28,500	34,500	40,500
55,000	25,000	31,000	37,000	43,000
52,500	27,500	33,500	39,500	45,500
50,000 or less	30,000	36,000	42,000	48,000

\* For prices in between those listed, interpolate.

**ADJUSTMENTS:**

1. Unit Size:

The Balanced Housing funding charts are based on certain assumptions regarding unit size. These assumptions are:

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Studio	500 Sq. Ft.
1 Bedroom	600 Sq. Ft.
2 Bedrooms	750 Sq. Ft.
3 Bedrooms	950 Sq. Ft.
4 Bedrooms	1,150 Sq. Ft.

For units that are smaller than the sizes listed above, subtract \$50.00 for each square foot below the size indicated:

In determining unit size, the Department will consider the net square foot size, that is the area inside the unit. Excluded from the calculation are common halls, stairways, unfinished basements and attics, garages, balconies and porches. See N.J.A.C. 5:43-2.4(a)7 for waiver provisions.

New Rule R.1995 d.339, effective June 19, 1995.  
See: 27 N.J.R. 1508(a), 27 N.J.R. 2385(a).  
Amended by R.1996 d.226, effective May 20, 1996.  
See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

**APPENDIX E**

Nonurban Aid Municipalities—Maximum Subsidy Homeownership Units				
Sales Price *	1BR	2BR	3BR	4BR
\$90,000 and up	1,000	1,000	1,000	1,000
87,000	1,000	1,000	1,000	2,500
85,000	1,000	1,000	1,000	5,000
82,500	1,000	1,000	2,500	7,500
80,000	1,000	1,000	5,000	10,000
77,500	1,000	2,500	7,500	12,500
75,000	1,000	5,000	10,000	15,000
72,500	2,500	7,500	12,500	17,500
70,000	5,000	10,000	15,000	20,000
67,500	7,500	12,500	17,500	22,500
65,000	10,000	15,000	20,000	25,000
62,500	12,500	17,500	22,500	27,500
60,000	15,000	20,000	25,000	30,000
57,500	17,500	22,500	27,500	32,500
55,000	20,000	25,000	30,000	35,000
52,500	22,500	27,500	32,500	37,500
50,000 or less	25,000	30,000	35,000	40,000

\* For prices in between those listed, interpolate.

**ADJUSTMENTS:**

**1. Unit Size:**

The Balanced Housing funding charts are based on certain assumptions regarding unit size. These assumptions are:

Studio	500 Sq. Ft.
1 Bedroom	600 Sq. Ft.
2 Bedrooms	750 Sq. Ft.
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For units that are smaller than the sizes listed above, subtract \$50.00 for each square foot below the size indicated:

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New Rule, R.1995 d.339, effective June 19, 1995.  
See: 27 N.J.R. 1508(a), 27 N.J.R. 2385(a).  
Amended by R.1996 d.226, effective May 29, 1996.  
See: 28 N.J.R. 6(a), 28 N.J.R. 2573(a).

**APPENDIX F**

**Contractor's Fee Schedule  
(Interpolate as Required)**

Fee Schedule: The Contractor's fee shall be based on a percentage of the construction cost in accordance with the following schedule:

Construction Cost	Percentage	Contractor's Fee
Under \$2 Million	10.0	—
\$ 2,000,000.00	10.0	\$ 200,000.00
3,000,000.00	9.5	285,000.00
4,000,000.00	9.0	360,000.00
5,000,000.00	8.5	425,000.00
6,000,000.00	8.2	492,000.00
7,000,000.00	7.9	553,000.00
8,000,000.00	7.6	608,000.00
9,000,000.00	7.3	657,000.00
10,000,000.00	7.0	700,000.00
11,000,000.00	6.7	737,000.00
12,000,000.00	6.6	792,000.00
13,000,000.00	6.5	845,000.00
14,000,000.00	6.4	896,000.00
15,000,000.00	6.3	945,000.00
16,000,000.00	6.2	992,000.00
17,000,000.00	6.1	1,037,000.00
18,000,000.00	6.0	1,080,000.00
19,000,000.00	5.9	1,121,000.00
20,000,000.00	5.8	1,160,000.00
21,000,000.00	5.7	1,197,000.00
22,000,000.00	5.6	1,232,000.00
23,000,000.00	5.5	1,265,000.00
24,000,000.00	5.4	1,296,000.00
25,000,000.00	5.3	1,325,000.00
26,000,000.00	5.2	1,352,000.00
28,000,000.00	5.0	1,400,000.00
30,000,000.00	4.8	1,440,000.00
32,000,000.00	4.6	1,472,000.00
34,000,000.00	4.4	1,496,000.00
36,000,000.00	4.2	1,512,000.00
38,000,000.00	4.0	1,520,000.00
Over \$38 Million	4.0	—

New Rule R.1992 d.144, effective April 6, 1992.  
See: 23 N.J.R. 1075(a), 24 N.J.R. 1385(a).  
Recodified from App. D by R.1995 d.339, effective June 19, 1995.  
See: 27 N.J.R. 1508(a), 27 N.J.R. 2385(a).