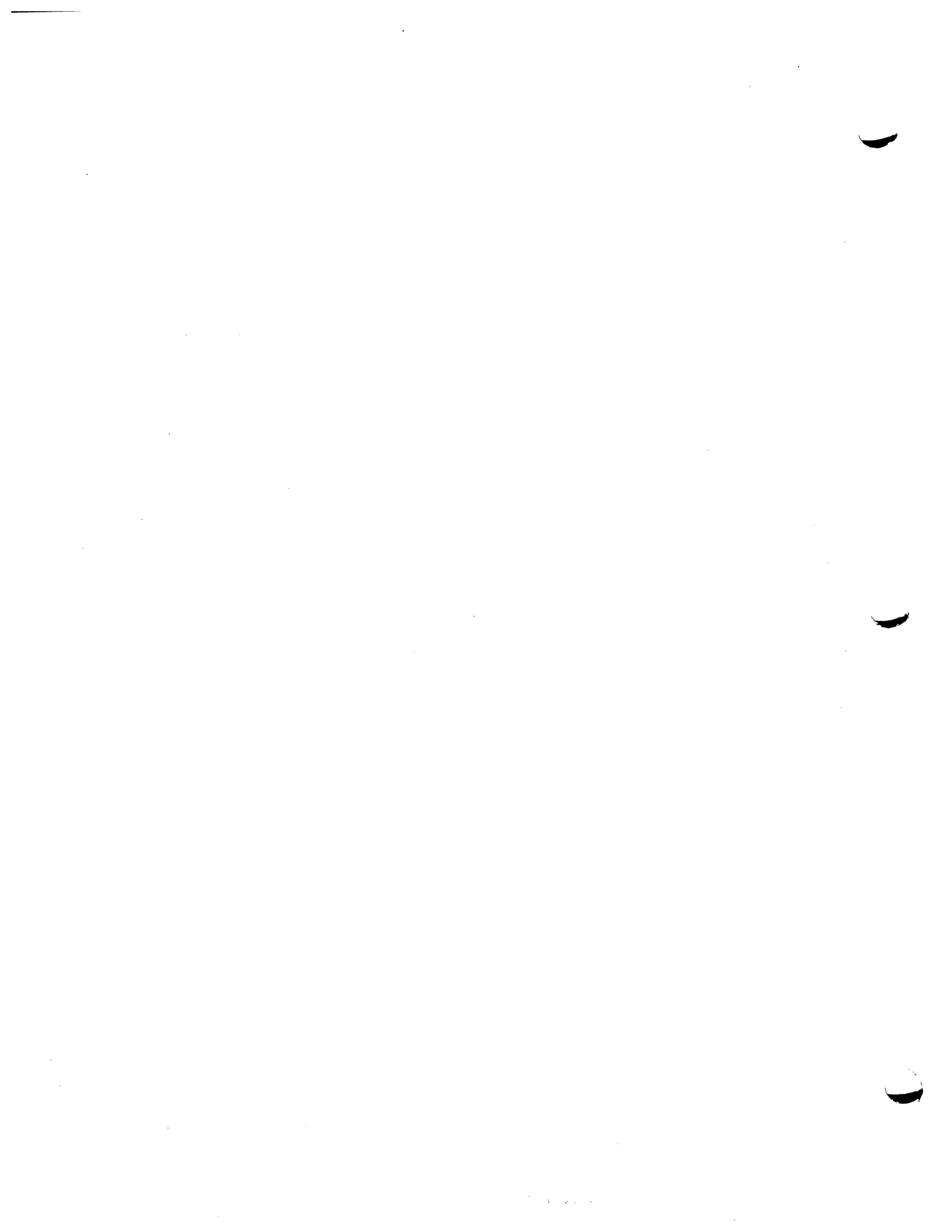


Amended by R.1974 d.166, effective June 26, 1974.
See: 6 N.J.R. 221(a), 6 N.J.R. 256(b).
Condominium definition added.
Amended by R.1983 d.145, effective May 16, 1983.
See: 15 N.J.R. 193(a), 15 N.J.R. 803(b).
Deleted definition of "Council".
Amended by R.1988 d.49, effective February 1, 1988.
See: 19 N.J.R. 1861(a), 20 N.J.R. 256(a).
Changed "HFA" to "HMFA".
Amended by R.1992 d.290, effective July 20, 1992.

See: 24 N.J.R. 1668(a), 24 N.J.R. 2556(b).
Definition for condominium, exception for gross shelter rent, deleted;
N.J.S.A. citation updated.
Amended by R.1997 d.253, effective June 16, 1997.
See: 29 N.J.R. 965(b), 29 N.J.R. 2653(a).
Amended "State Deputy Administrator".
Amended by R.1997 d.265, effective July 7, 1997.
See: 28 N.J.R. 3852(a), 29 N.J.R. 2813(b).
Added "Affordable", "Equity", and "Range of affordability"; and
amended "Regulatory agreement", and "State Deputy Administrator".



5:13-1.2 Scope

(a) These rules shall apply to and control all housing sponsors formed under the provisions of the Limited Dividend Nonprofit Housing Corporations or Associations Law, P.L. 1949, c.184, as amended (N.J.S.A. 55:16-1 et seq.) and remaining subject to the jurisdiction established under that act in accordance with the "Long Term Tax Exemption Law," P.L. 1991, c.431; provided, however, that the provisions of N.J.A.C. 5:13-2 (Limited Dividend Housing Corporations and Associations as Cooperatives) shall apply only to housing sponsors organized as cooperatives financed under a FHA insured (Section 213) mortgage, and provided further that nothing herein shall be construed to abrogate or set aside such regulatory agreements as have been approved by the Authority prior to the date of these regulations insofar as the provisions thereof are not inconsistent with the regulations.

(b) For the purpose of encouraging development of housing projects under these regulations and to enable housing sponsors to obtain the necessary financing through FHA or HMFA, the State Administrator may waive any regulations herein where such waiver is in the public interest and there is a conflict between these regulations and either FHA or HMFA requirements.

(c) The Authority may approve or adopt by reference, in whole or in part, any regulatory agreement between a housing sponsor and a State or Federal financing or insuring agency in which the terms and conditions of construction, operation and maintenance of the project are specified which substantially conform with the purposes and intent of the Act and this Chapter; provided however, that nothing herein shall be construed to prevent the Authority from inspecting and investigating any project under such regulatory agreement to assure compliance with the Act and this Chapter.

(d) The Authority may delegate to any State or Federal financing or insuring agency such responsibilities and duties imposed upon the Authority by the Act or this Chapter as may be consistent with the intent and purpose of the regulations and consistent with public policy and the protection of rights and remedies provided for thereunder; provided however, nothing herein shall be construed to prohibit the Authority from rescinding such delegation in the event such State or Federal agency fails to perform such delegated duties and responsibilities in a responsible manner; nor to prohibit the Authority from conducting such investigations and inspections it deems necessary and appropriate to assure compliance with the requirements of the Act and this Chapter.

(e) Approval by the Authority of any regulatory agreement as specified in subsection (c) of this Section or delegation of responsibilities and duties as provided for in subsection (d) of this Section shall be in writing and a copy of each

such regulatory agreement and delegation shall be maintained on file by the State Deputy Administrator.

(f) In all matters pertaining to implementation and enforcement of this Chapter, the Deputy Administrator shall act as the duly authorized delegate of the State Administrator. Whenever this Chapter refers to the State Administrator it shall be construed to include the Deputy Administrator unless specifically provided otherwise.

Amended by R.1988 d.49, effective February 1, 1988.

See: 19 N.J.R. 1861(a), 20 N.J.R. 256(a).

Changed "HFA" to "HMFA".

Amended by R.1992 d.290, effective July 20, 1992.

See: 24 N.J.R. 1668(a), 24 N.J.R. 2556(b).

Reference to condominium deleted; N.J.S.A. citation updated.

5:13-1.3 Operation of corporation or association

(a) The following acts of the housing sponsor, to be valid and effective shall be subject to the prior approval of the Authority in writing:

1. All bylaws of the housing sponsor and amendments to those bylaws, and to the certificate of incorporation or partnership or association agreement, which shall be filed with the Authority;
2. All advertisement or prospectus;
3. All rent schedules to be fixed or amended which shall be filed with the Authority;
4. Selection or approval of any application for occupancy or entering into any leasehold agreement.
5. Sale, transfer, encumbrance or assignment of the property of the housing sponsor or of any stock or other ownership interest in the housing sponsor, provided, however, that this paragraph shall not apply to transfers by or to individuals of stock in a nonprofit corporation which is held, or is to be held, in conjunction with a lease to a dwelling unit in a cooperative project which is occupied or is to be occupied by the holder of the stock.

(b) If the mortgage on the project is insured by the FHA or financed by the HMFA, the housing sponsor shall comply with the requirements of such agency in connection with reserves. On termination of the jurisdiction of the FHA or HMFA, the reserves of the corporation shall be established and maintained in an account approved by the Authority.

(c) As provided by the Act, as amended, the housing sponsor shall pay an annual service charge for municipal services in an amount not more than the tax on the property on which the project in which the undertaking of said project is commenced or 15 percent of the annual gross shelter rents obtained from the project, whichever is the greater.

(d) The rental or use of apartments in a housing project by an employee of the housing sponsor shall be subject to

the same regulations as are applicable to other tenants unless the Authority shall waive certain requirements.

As amended, R.1983 d.145, eff. May 16, 1983.
See: 15 N.J.R. 193(a), 15 N.J.R. 803(b).

In (a)1 added "to the certificate of incorporation or partnership or association agreement". Also added 5 to (a).

Amended by R.1988 d.49, effective February 1, 1988.

See: 19 N.J.R. 1861(a), 20 N.J.R. 256(a).

Changed "HFA" to "HMFA".

Recodified from 5:13-1.5 by R.1997 d.253, effective June 16, 1997.

See: 29 N.J.R. 965(b), 29 N.J.R. 2653(a).

5:13-1.4 Meetings of stockholders and directors

(a) Each housing sponsor shall hold a directors' meeting at least once a year and at such times as any director may request; excepting however, a corporation as a cooperative shall hold such meetings at least quarterly.

(b) The presence of a quorum at such meetings is required.

(c) A copy of the minutes of each meeting of directors shall be filed with the Authority within 10 days after the meeting is held.

Recodified from 5:13-1.6 by R.1997 d.253, effective June 16, 1997.

See: 29 N.J.R. 965(b), 29 N.J.R. 2653(a).

5:13-1.5 Tenant application, selection and priorities

It is the purpose and intent of the Act and this Chapter that tenants whose housing need is greatest receive priority for occupancy in any project under the Act; provided that the applicant's family size must be suitable to the apartment to be occupied and the tenant's income must be sufficient to be able to afford the rent charged; and provided that any regulations of the HMFA implementing priority categories specified by the New Jersey Housing and Mortgage Finance Agency law (N.J.S.A. 55:14K-1 et seq.), as amended, shall prevail in those projects financed by said agency.

Amended by R.1988 d.49, effective February 1, 1988.

See: 19 N.J.R. 1861(a), 20 N.J.R. 256(a).

Changed "HFA" to "HMFA".

Recodified from 5:13-1.7 by R.1997 d.253, effective June 16, 1997.

See: 29 N.J.R. 965(b), 29 N.J.R. 2653(a).

Former N.J.A.C. 5:13-1.5, Operation of corporation or association, recodified to 5:13-1.3.

5:13-1.6 Tenant priorities

(a) Applications for eligible persons and families for occupancy shall receive priority over all others in the following order:

1. Persons and families which are or are about to be displaced from a blighted area or areas by reason of clearance, replanning, development or redevelopment; and

2. Persons and families living in a blighted area or areas as designated by the governing body of any municipality by resolution for the purpose of clearance, replanning, development or redevelopment;

(b) Persons who have moved to standard housing under an approved Workable Relocation Assistance Program pursuant to the Relocation Assistance Law of 1967 (N.J.S.A. 52:31B-1 et seq.) and the Relocation Assistance Act (N.J.S.A. 20:4-1 et seq.) and regulations promulgated thereunder (N.J.A.C. 5:11), as a permanent move outside of a priority area, shall not have priority status under this Section.

Amended by R.1988 d.49, effective February 1, 1988.

See: 19 N.J.R. 1861(a), 20 N.J.R. 256(a).

Renumbered (a)3 to (b) and added the Relocation Assistance Act.

Recodified from 5:13-1.8 by R.1997 d.253, effective June 16, 1997.

See: 29 N.J.R. 965(b), 29 N.J.R. 2653(a).

Former N.J.A.C. 5:13-1.6, Meetings of stockholders and directors, recodified to 5:13-1.4.

5:13-1.7 Procedures for priority applications

(a) Where there is a project either in a phase of initial occupancy or fully occupied, and there exists a waiting list of eligible persons and families, a person or family qualifying for a priority status and consideration shall be placed at the head of the list.

(b) The first available dwelling unit for which the person or family is otherwise eligible shall be offered for occupancy.

(c) Where there is more than one person or family who have equal priority status, they shall be placed at the head of the waiting list in the order of their applications for tenancy.

Recodified from 5:13-1.9 by R.1997 d.253, effective June 16, 1997.

See: 29 N.J.R. 965(b), 29 N.J.R. 2653(a).

Former N.J.A.C. 5:13-1.7, Tenant application, selection and priorities, recodified to 5:13-1.5.

5:13-1.8 Public notice to applicants on rights

(a) There shall be posted, in a prominent place, in each office where prospective applicants come to make application for tenancy, a sign notifying the applicants of their rights with reference to nondiscrimination; priority preferences in accordance with these or HMFA regulations if applicable; eligibility to file where income is derived from welfare and public assistance funds; rights of any person to request and file application for tenancy; and the right to file complaints with the State Administrator.

(b) The sign will be in accord with a sample copy supplied by the Authority with instructions on size and wording to be denoted thereon.

(c) The responsibility for the public display of this sign will be with the office of the project sponsor or owner.

(d) All informational bulletins, advertising brochures, and application forms shall, in bold type, be printed with a statement indicating to applicants or prospective applicants their rights with reference to nondiscrimination, priority preferences as provided for in these or HMFA regulations, and eligibility to file where income is derived from welfare or public assistance funds.