

CHAPTER 13**LIMITED DIVIDEND AND NONPROFIT HOUSING CORPORATIONS AND ASSOCIATIONS****Authority**

N.J.S.A. 55:16-11, 52:27D-22 and P.L. 1991 c.431 § 21.

Source and Effective Date

R.1992 d.290, effective June 22, 1992.
See: 24 N.J.R. 1668(a), 24 N.J.R. 2556(b).

Executive Order No. 66(1978) Expiration Date

Chapter 13, Limited Dividend and Nonprofit Housing Corporations and Associations, expires on June 22, 1997.

Chapter Historical Note

Chapter 13, Limited Dividend and Nonprofit Housing Corporations and Associations, became effective January 22, 1971 as R.1971 d.15. See: 2 N.J.R. 70(b), 3 N.J.R. 20(a). Chapter 13 was readopted as R.1988 d.49, effective December 24, 1987. See: 19 N.J.R. 1861(a), 20 N.J.R. 256(a). Chapter 13 was readopted as R.1992 d.290, effective June 22, 1992. See: Source and Effective Date.

See section annotations for specific rulemaking activity.

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SUBCHAPTER 1. GENERAL PROVISIONS**5:13-1.1 Definitions**

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

"Act" means the Limited Dividend Nonprofit Housing Corporations or Associations Law, P.L. 1949, c.184, which was repealed by P.L. 1991, c.431, but the requirements of which, and of this chapter, continue to be applicable to housing projects organized and operating under it on or before April 17, 1992.

"Authority" means the Public Housing and Development Authority within the Department of Community Affairs.

"Blighted area" means any area or part of any area, together with building or buildings thereon, which is blighted, as defined by any law of the State of New Jersey.

"Cooperative" means any corporation herein defined, the projects of which have been financed under Section 213 of the National Housing Act or any other Federal law, or under any State law or any incorporated or unincorporated association of three or more persons, not for pecuniary profit, organized pursuant to any law of the State or the Federal government for the primary purpose of providing housing accommodations for its members, stockholders and others, and for the operation, management and maintenance of same.

"Family" means the definition of family determining eligibility for occupancy in a housing project as prescribed by a Federal or State agency or any other public source, which is primarily responsible for financing, or insurance of the financing of such project.

"Federal Administrator" means the Administrator of Federal Housing Administration, his successors, officials, employees or agents.

"FHA" means the Federal Housing Administration in the United States Department of Housing and Urban Development.

"Gross shelter rent" means the gross rent or carrying charges less the cost of utilities furnished by the project; utilities shall include gas and electricity if supplied by the project; cost of heating fuel, cost of water supplied and sewage charges, if any.

"HMFA" means the New Jersey Housing and Mortgage Finance Agency in, but not of the Department of Community Affairs.

"Housing association" means any limited distribution or non-profit partnership, limited partnership, limited partnership association, trust, single proprietorship or other unincorporated association organized in accordance with the provisions of the Act.

"Housing corporation" means any private, limited-dividend or nonprofit housing corporation organized in accordance with the provisions of the Act.

"Housing sponsor" means any housing corporation or association as defined in this Section.

"Income limits" means the income limits determining eligibility for occupancy in a housing project as prescribed by a Federal or State agency or any other public source which is primarily responsible for the financing or the insurance of the financing of the project.

"Lease" means any agreement made by and between a corporation or association formed under the Act and any person or persons in connection with the right of occupancy to any unit in a project of such corporation or association and shall include for the purpose hereof any occupancy agreement between a member or stockholder of a corporation formed under the Act as a cooperative, entitling such member or stockholder to the right to occupy a particular unit in a project constructed by such corporation.

"Mortgage" shall include "Deed of Trust".

"Mortgaged property" includes all property, real or personal, covered by a mortgage and all personal property belonging to the project and used in connection with the furnishing of a project constructed under Section 202 of the Housing Act of 1959.

"Principal wage earner" means only the actual family head and for the purpose hereof shall include, in addition to said actual family head, his or her husband or wife, if any; provided however, this definition shall apply only to cooperative type projects financed under an FHA insured (Section 213) mortgage.

"Project" means any work or undertaking whether new construction or rehabilitation to provide decent, safe and sanitary dwelling units for families in need of housing; including any buildings, land (including demolition, clearance or removal of buildings from land), equipment, facilities or other real or personal properties which are necessary, convenient or desirable appurtenances, such as, but not limited to, streets, sewers, water, utilities, parks, site preparation, landscaping and administrative, community health, recreational, educational, welfare, commercial or other facilities, or to provide any part or combination of the foregoing.

"Regulatory agreement" means any agreement entered into by a housing sponsor and any State or Federal agency as approved by the Authority setting forth terms and conditions under which the development and operation of a project may function.

"Rent" means the amount paid under a lease or occupancy agreement by a tenant for the purpose of entitling such tenant to occupy a particular unit in a project and shall include, for the purposes hereof, the carrying charges assessed by a corporation as a cooperative against any member or stockholder thereof for occupancy of a particular unit in the project.

"Service charge" means moneys paid by a housing corporation or housing association to a municipality in which the project of such housing corporation or housing association is located, in lieu of taxes, where the housing corporation or housing association is entitled to tax exemption under Section 18 of the Act.

"State" means the State of New Jersey.

"State Administrator" means the administrator of the Public Housing and Development authority who is also the Commissioner of the Department of Community Affairs, State of New Jersey.

"State Deputy Administrator" means the Deputy Administrator of the Public Housing and Development Authority who is also the Director, Division of Housing and Development, Department of Community affairs, State of New Jersey.

"Tenant" means any person having a lease or entitled to occupancy under an occupancy agreement and shall include any member or stockholder of a corporation as a cooperative entitled to occupancy in any unit in a project built under the Act.

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.

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 (Reserved)

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

This section formerly contained a rule concerning formation, operation and management of a housing corporation or association.

5:13-1.4 (Reserved)

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

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

This section was "Formation of a housing corporation or housing association". Deleted, pursuant to Long Term Tax Exemption Law.

5:13-1.5 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".

5:13-1.6 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.

5:13-1.7 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".

5:13-1.8 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.

5:13-1.9 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.

5:13-1.10 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.

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".

5:13-1.11 Applications for dwelling leases and rentals

(a) Housing sponsors shall maintain an adequate supply of applications for leases in a form approved by the Authority in which specific provisions shall be made to disclose priority status of applicants as provided for in Section 1.7 (Tenant application, selection and priorities) of this chapter.

(b) Any person shall be permitted to file an application.

(c) All applicants shall be filed in duplicate.

(d) No conditions shall be imposed on any applicant in connection with the filing or execution of application forms.

(e) A copy of these regulations shall be maintained at any place at which a housing sponsor solicits or accepts applications, and shall be available to applicants upon request.

(f) Each application shall be dated and numbered serially as received; excepting, however, those applications disclosing priority shall be numbered serially separately and bear the prefix "P" or, if HMFA priorities, the prefix "HMFA-P" to so indicate and shall be separately maintained and transmitted to the Authority for approval.

(g) The housing sponsor shall investigate the statements in the application regarding employment and income of all members of the tenant family by directing a written inquiry to their employers.

(h) For self-employed applicants, the housing sponsor shall obtain from the applicant a sworn statement of his last Federal Income Tax return.

(i) In the case of any other applicant, the housing sponsor shall obtain a sworn statement of the Federal Income Tax return when requested by the Authority to do so.

(j) If an applicant claims priority status the housing sponsor shall verify the statements, supporting such claim, including, if necessary, inquiry to the relocation, health or building officer of the municipality in which the applicant asserts he has been or is to be displaced or in which said applicant states he lives in a blighted area or substandard housing.

(k) All applications are to be transmitted to the Authority by the housing sponsor which will indicate those it proposes to accept.

(l) The Authority will review each application and will approve or disapprove the recommendation of the housing sponsor.

(m) No lease shall be executed or occupancy permitted until the application of the prospective tenant has been approved in writing by the Authority.

(n) Each lease shall contain a clause making the application a part thereof and providing that the housing sponsor may terminate the lease upon 30-day written notice, if the application is found to contain a material misrepresentation.

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-P" to "HMFA-P".

5:13-1.12 List of nonapplicants

Each project management office will maintain a list of all persons who have indicated an interest in making application for tenancy, but who did not formally apply. A statement as to their reasons for nonapplication shall be listed and a report of these nonapplications shall be sent monthly to the Authority; such list shall disclose whether such

nonapplicant appears to have priority status as provided for in Section 1.7 (Tenant application, selection and priorities) by affixing the letter "P" next to the name of the nonapplicant appearing to have priority status.

5:13-1.13 Leases

(a) Every lease made by a housing sponsor shall be on a form approved by the Authority.

(b) No lease shall be for a term exceeding 24 months.

(c) Every lease shall contain a clause prohibiting the subletting of the dwelling or the renting of any part of it.

(d) A lease may require a security deposit in an amount approved by the Authority, but not more than one month's rent; provided that, said funds shall be held in trust fund against which only delinquencies under the terms of the lease after deduction of any rent due at said time and approved by the Authority.

(e) The lease shall include any charges to be made for utilities, special services, or other facilities to be furnished to the tenant by the housing sponsor.

(f) No one connected with the housing sponsor shall request or receive directly or indirectly any payment whatsoever in connection with the obtaining of a lease.

(g) Violation of this regulation by any employee or other agent of the housing sponsor shall be cause for discharge.

(h) When applying for renewal of lease, each tenant shall be required to furnish the same information and be subject to the same investigation as for an initial lease. Such renewal application may be subject to approval by the Authority.

(i) The lease shall contain a provision providing for the eviction of any tenant based on a change in their income which disqualifies a tenant from continued occupancy under the regulations or regulatory agreements.

5:13-1.14 Rents and charges

(a) The rent schedule approved by the Authority shall be adequate to pay all necessary and reasonable expenses including, but not limited to, the cost of operation and maintenance, reserves for replacement, vacancy and other contingencies, payments in lieu of taxes, mortgage interest and amortization payments, mortgage-insurance premiums and dividends on investments.

(b) The amount of payment in lieu of taxes approved by the Authority shall be the maximum amount, not exceeding the statutory maximum, that is, the greater of the tax on the property on which the project is located for the year in which the undertaking of the project is commenced or 15 percent of the annual gross shelter rents, that can be paid without endangering or impairing the viability of the project.

The payment in lieu of taxes shall be in an amount less than the statutory maximum during any year in which such lesser amount is necessary for project viability.

Amended by R.1988 d.571, effective December 19, 1988.

See: 20 N.J.R. 2425(a), 20 N.J.R. 3123(a).

Substituted "shall" for "will" in (a); added (b).

5:13-1.15 General reports

(a) The housing sponsor shall submit the following reports to the Authority:

1. A monthly report of occupancy;
2. A monthly report of all persons who had indicated an interest; but did not formally apply, and a statement for reason of such nonapplication;
3. An annual budget of operating income and expense;
4. An annual financial report by a certified public accountant;
5. Minutes of the meeting of the Board of Directors and of the stockholders within ten days after the meeting;
6. Such other reports or specific answers to questions as the Authority may require from time to time.

5:13-1.16 Nondiscrimination

(a) In the operation of housing projects, no person shall be subject to any discrimination because of race, religious principles, color, national origin or ancestry.

(b) All facilities of a housing project shall be equally available to all tenants.

(c) No person or family shall be denied the right to file an application for tenancy whose source of income is derived from welfare or public assistance funds.

(d) If otherwise qualified, they shall be considered as eligible for occupancy under the same provisions that apply to all eligible applicants.

5:13-1.17 Administrative remedies and procedures

Any person or housing sponsor may at any time file with the Authority a complaint concerning any matter subject to the Act and these regulations; provided however, nothing in this Section shall be construed to limit the Authority from conducting on its own initiative and in the absence of any such complaint, investigations and inspections pertaining to adherence to the requirements of the Act and the regulations on the part of any person or housing sponsor.

5:13-1.18 Administrative orders on complaints

(a) Upon receipt of a complaint to, or discovery of a violation of these regulations by the Authority, the Authority will notify the offending party of the complaint and the nature thereof and request that within two weeks of receipt of such notice that the offending party provide:

1. A statement that the cause of the complaint has been removed or abated; or
2. Refutation in writing that the complaint is proper; or
3. A statement of intent to correct the violation within a reasonable time.

(b) Within seven days after receipt of such statements or expiration of the two week period, the Authority may issue such order as it deems appropriate and necessary.

5:13-1.19 Rights to hearing

Any person or housing sponsor aggrieved by any such order as may be issued under N.J.A.C. 5:13-1.18 shall be entitled to a hearing pursuant to the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq., and the Uniform Administrative Procedure Rules, N.J.A.C. 1:1.

Amended by R.1983 d.145, effective May 16, 1983.

See: 15 N.J.R. 193(a), 15 N.J.R. 803(b).

Added N.J.A.C. 5:13-1.18 cite and hearing before "Office of Administrative Law".

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 Administrative Procedure Act and Uniform Administrative Procedure Rules added.

5:13-1.20 Request for a hearing

An application for a hearing must be filed with the State Administrator within 15 business-days of the receipt by the applicant therefor of the notice or order complained of. Such application must be accompanied by a statement of issues of law and of fact which the applicant asserts are germane to the application. Copies of all such statements shall be provided to all parties in interest.

Amended by R.1983 d.145, effective May 16, 1983.

See: 15 N.J.R. 193(a), 15 N.J.R. 803(b).

Deleted old (b)-(c).

5:13-1.21 (Reserved)

R.1983 d.145, eff. May 16, 1983.

See: 15 N.J.R. 193(a), 15 N.J.R. 803(b).

This section formerly contained rules concerning notice of hearing.

5:13-1.22 (Reserved)

R.1983 d.145, effective May 16, 1983.

See: 15 N.J.R. 193(a), 15 N.J.R. 803(b).

This section formerly contained rules concerning conduct of hearing and evidence.

5:13-1.23 (Reserved)

R.1983 d.145, effective May 16, 1983.

See: 15 N.J.R. 193(a), 15 N.J.R. 803(b).

This section formerly contained rules concerning transcripts.

5:13-1.24 (Reserved)

R.1983 d.145, effective May 16, 1983.

See: 15 N.J.R. 193(a), 15 N.J.R. 803(b).

This section formerly contained rules concerning findings of fact.

5:13-1.25 Stay of action

A request by the applicant for a stay of notice or order complained of may be granted by the State Administrator pending final determination; provided that, no such stay shall be granted except upon such terms and conditions as will insure compliance with the provisions of the Act and this chapter.

Amended by R.1983 d.145, effective May 16, 1983.

See: 15 N.J.R. 193(a), 15 N.J.R. 803(b).

Deleted "at the hearing or" when stay may be granted.

5:13-1.26 (Reserved)

R.1983 d.145, effective May 16, 1983.

See: 15 N.J.R. 193(a), 15 N.J.R. 803(b).

This section formerly contained rules concerning final report and order.

5:13-1.27 Declaratory rulings

(a) Upon request of any interested party the State Administrator may, in his discretion, make a declaratory ruling with respect to the applicability to any person, property or state of facts of any statute or rule enforced or administered by the State Administrator.

(b) A declaratory ruling shall bind the agency and all parties to the proceedings on the state of facts alleged.

(c) Full opportunity for hearing shall be afforded to all interested parties.

(d) Such ruling shall be deemed a decision or action subject to review before the Office of Administrative Law.

(e) Nothing in this Section shall affect the right or practice of the State Administrator in his sole discretion to render advisory opinions.

As amended, R.1983 d.145, eff. May 16, 1983.

See: 15 N.J.R. 193(a), 15 N.J.R. 803(b).

In (d) charged review before the Appellate Division of the Superior Court to the Office of Administrative Law.

5:13-1.28 Informal disposition

Nothing in this Chapter shall be construed to preclude the State Administrator to dispose of any contested case by stipulation, agreed settlement, or consent order.

SUBCHAPTER 2. LIMITED DIVIDEND HOUSING CORPORATIONS AS COOPERATIVES

5:13-2.1 Scope

The provisions of this Subchapter shall apply to those Limited Divided Corporations as Cooperatives formed under the Act and financed under an FHA insured (Section 213) mortgage in addition to provisions contained in Sections 1.2 through 1.28 of this Chapter.

5:13-2.2 Management, operation and maintenance of cooperative projects

(a) Dwelling units in any project hereunder shall be restricted for occupancy to families in which the principal wage earner's net annual income at the time of application and for the taxable year preceding the making of such application does not exceed seven times the annual rent (including the estimated value or cost to them of water, heat, electricity, gas or other utilities) of the dwelling units to be occupied by such families. The term "net annual income" as used herein shall mean the annual income of the principal wage earner of the family but shall not include any pension, compensation or disability payment received from the Federal or State government by any veteran, or any widow or orphan of any deceased serviceman or veteran by reason of, or as a result of, active military or naval service.

(b) The corporation is entitled to charge the applicant a fee for its investigation regarding employment and income as required in subsection (a) of this Section. Said fee, however, may not exceed \$5.00.

(c) With the exception of superintendents or janitors of the project, all persons occupying units of the project, including members, officers or agents of the corporation, shall be treated the same and shall be governed by the same principles in connection with the rent to be charged for the units occupied by them. No officer, employee or agent of the corporation shall receive any special privileges in connection with occupancy of any unit in the project.

5:13-2.3 Stock transfer

(a) Notwithstanding the provisions of any certificates of incorporation or bylaws promulgated thereunder, in order to better effectuate the purpose of providing accommodations for families in need of housing and to perpetuate the nonprofit purpose and intent of cooperative type housing, it shall be mandatory on the corporation to exercise its option to purchase, at par value less any amounts due by the stockholder to the corporation, the shares of stock and occupancy agreement offered by a stockholder desiring to leave the project. The corporation shall then resell the

stock at par value plus a reasonable service charge to be approved by the Authority.

(b) Upon written request by the corporation setting forth good and sufficient reasons, the Administrator is authorized to waive in writing to the corporation the provisions of this Section.