

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

N.J.S.A. 40A:20-20.

**Source and Effective Date**

R.2001 d.282, effective July 19, 2001.  
See: 33 N.J.R. 1226(a), 33 N.J.R. 2807(b).

**Chapter Expiration Date**

In accordance with N.J.S.A. 52:14B-5.1c, Chapter 13, Limited Dividend and Nonprofit Housing Corporations and Associations, expires on January 15, 2007. See: 38 N.J.R. 1120(a).

**Chapter Historical Note**

Chapter 13, Limited Dividend and Nonprofit Housing Corporations and Associations, was adopted as R.1971 d.15, January 22, 1971. See: 2 N.J.R. 70(b), 3 N.J.R. 20(a).

Pursuant to Executive Order No. 66(1978), Chapter 13, Limited Dividend and Nonprofit Housing Corporations and Associations, was readopted as R.1988 d.49, effective December 24, 1987. See: 19 N.J.R. 1861(a), 20 N.J.R. 256(a).

Pursuant to Executive Order No. 66(1978), Chapter 13, Limited Dividend and Nonprofit Housing Corporations and Associations, was readopted as R.1992 d.290, effective June 22, 1992. See: 24 N.J.R. 1668(a), 24 N.J.R. 2556(b).

Pursuant to Executive Order No. 66(1978), Chapter 13, Limited Dividend and Nonprofit Housing Corporations and Associations, was readopted as R.1997 d.253, effective May 21, 1997. See: 29 N.J.R. 965(b), 29 N.J.R. 2653(a).

Chapter 13, Limited Dividend and Nonprofit Housing Corporations and Associations, was readopted as R.2001 d.282, effective July 19, 2001. See: Source and Effective Date. See, also, section annotations.

**CHAPTER TABLE OF CONTENTS****SUBCHAPTER 1. GENERAL PROVISIONS**

- 5:13-1.1 Definitions
- 5:13-1.2 Scope
- 5:13-1.3 Operation of corporation or association
- 5:13-1.4 Meetings of stockholders and directors
- 5:13-1.5 Tenant application, selection and priorities
- 5:13-1.6 Tenant priorities
- 5:13-1.7 Procedures for priority applications
- 5:13-1.8 Public notice to applicants on rights
- 5:13-1.9 Applications for dwelling leases and rentals
- 5:13-1.10 List of nonapplicants
- 5:13-1.11 Leases
- 5:13-1.12 Rents and charges
- 5:13-1.13 General reports
- 5:13-1.14 Nondiscrimination
- 5:13-1.15 Administrative remedies and procedures
- 5:13-1.16 Administrative orders on complaints
- 5:13-1.17 Rights to hearing
- 5:13-1.18 Request for a hearing
- 5:13-1.19 Stay of action
- 5:13-1.20 Declaratory rulings
- 5:13-1.21 Informal disposition
- 5:13-1.22 through 5:13-1.28 (Reserved)

**SUBCHAPTER 2. LIMITED DIVIDEND HOUSING CORPORATIONS AS COOPERATIVES**

- 5:13-2.1 Scope
- 5:13-2.2 Management, operation and maintenance of cooperative projects
- 5:13-2.3 Stock transfer

**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 statute under which a housing sponsor was organized. In the case of a housing sponsor created on or before April 17, 1992, “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 continue to be applicable to housing projects organized and operating under it. In the case of a housing sponsor created after April 17, 1992, “act” means the Long Term Tax Exemption Law, P.L. 1991, c.431.

“Affordable” means capable of being afforded without undue burden by a household at any given level of income. A rental unit shall be considered to be affordable if the monthly rent, together with any utility charges paid by the tenant, does not exceed 30 percent of monthly household income.

“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.

“Equity,” when used with reference to the return payable to an investor in a limited dividend housing corporation or association, means the value of the cash and/or property, including without limitation intangible property such as services, contributed by or on behalf of the investor in exchange for a proprietary interest in the corporation or association.

“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.

“Range of affordability” means the household income, expressed as a percentage of the median income as adjusted by geographical region and family size in accordance with HUD Section 8 Income Guidelines or N.J.A.C. 5:92, at which a given unit is affordable. The lower the percentage of median income, the greater is the range of affordability.

“Regulatory agreement” means any agreement entered into by a housing sponsor and the Authority, or with any State or Federal agency with the approval of the Authority, setting forth terms and conditions under which the development and operation of a project may function, which terms and conditions may expressly supersede provisions of this chapter that would otherwise be applicable.

“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.