



## **ABOUT AFFORDABLE HOUSING RENTAL UNITS**

Affordable housing units are restricted by written, recorded agreements/documents that constitute a covenant running with the land and the specific affordable housing unit(s).

A thorough and complete reading of these agreements/documents is necessary to fully understand the restrictions that bind these residential units.

Below is a summary of the most significant restrictions and/or information:

- 1) Renting an affordable housing unit is restricted to households whose total gross annual income is measured at less than 80% of an approved median income guide established by household size, geographic region and authorized by a specific governing entity.
- 2) Affordable housing rental units shall be utilized as the primary residence of the tenant(s) who applied for the unit. Primary residence is defined as a unit wherein a household maintains continuing residence for no less than nine months of each calendar year. **At no time can you ever live in another property for more than 3 months of a calendar year. Your affordable housing address must be reflected on an acceptable primary proof of identity or other document if ever questioned. The affordable housing unit must be your primary residence.**
- 3) Affordable housing rental units shall not be sub-leased. The affordable unit cannot be subleased or rented out to any other person, not even to members of the tenant's family.
- 4) Tenants are not allowed to make any improvements to the apartment unless they have been approved IN ADVANCE and IN WRITING by the landlord or appropriate party for the landlord.
- 5) Once rents have been determined, prospective renters who have submitted an application are selected according to their gross annual income and their household size. These households will be interviewed/notified regarding their ability to meet monthly housing costs. The standard for affordability is that renters should not be required to pay more than 30% of their gross monthly income for housing costs that include an estimate of tenant-paid utility charges. CJHRC allows a standard of 35% (40% for age-restricted units) in order to provide more housing choices for low and moderate-income households. Households may not be considered if the rental rate will be higher than 35% unless in special allowable circumstances.

- 6) Each time an Affordable Housing unit is vacated during the restricted time period, at the anniversary date of the tenancy of the certified household occupying a restricted rental unit, the rent may be increased; if such increase is consistent with the regional income increase most recently published by an approved entity, calculated pursuant to N.J.A.C. 5:94-7.2(b). A rent adjustment is calculated in accordance with the percentage increase in the Consumer Price Index. Appropriate applicants are selected for referral. If the Index increases during continued rental occupancy, rents may be adjusted annually at the lease anniversary date.
- 7) Tenants will find out the allowable increase a landlord is permitted to increase the rent on an annual basis (if there is one). In some cases, if a landlord did not increase the rent due to the amounts not being released by the appropriate entity, those landlords may be able to increase the amount by the combined increase for more than one year (s) but not to exceed the combined percentages.
- 8) The restrictions imposed on an affordable housing unit are contained in the Appendix K which is signed by renters at the time they are signing a lease. The terms, restrictions, and provisions including the required amount of rent will be set forth in the lease and must be paid on time and in the manner provided for in the lease.
- 9) In New Jersey, Landlords/Owners may legally collect a security deposit that is no more than one and one half times the new rent rate, which may mean that a renewal tenant/household will have to submit more funds to be added to their security account with the landlord/owner.
- 10) Renters should understand their rights and responsibilities. The Truth-in-Renting Act (N.J.S.A. 46:8-43 et seq.) requires the Department of Community Affairs to prepare and publish a statement of the rights and responsibilities of residential tenants and landlords. Potential tenants or those looking to learn their rights and landlord's rights can get the Landlord-Tenant laws by accessing them on-line at <http://www.njleg.state.nj.us.gov/>.
- 11) At the first sign of financial difficulty, affordable housing renters should contact a local HUD counseling agency. Central Jersey Housing Resource Center (CJHRC) is a HUD Certified Housing Counseling Agency and offers free counseling to tenants who are struggling or concerned about future rent payments. Call CJHRC at 908-446-0036 and arrange for an in-person counseling session between the hours of 9am and 3pm Monday through Friday.