

RE: Elder Cottage Housing Opportunities (ECHO Housing)

To Whom This May Concern:

As per your request, enclosed please find the following ECHO Housing program materials: a pre-application, a Housing Hi-Lite flyer with income guidelines, web-based information from US HUD & HHS, and an architectural elevation & footprint of a one-bedroom unit. If you wish to pursue this opportunity, please complete the pre-application and return it to NORWESCAP in the enclosed envelope.

If approved for an ECHO unit, the homeowner is responsible for obtaining permit approvals from the Board of Health (well & septic) and the Planning Board/Board of Adjustment for zoning issues. Homeowners must secure the services of an engineer and attorney to handle your municipal planning procedures. This “pre-installation” cost for the family can fall between \$2,000 - \$8,000 depending on municipal requirements, professional fees and site conditions.

NORWESCAP provides for the transportation to and installation of the modular unit on site. The unit’s facade will be modified to blend with the existing home. All interior finish work will be the responsibility of NORWESCAP. When the unit is vacated, it will be removed by NORWESCAP. The site will be cleared of any debris and prepped for the owner’s re-use.

The ECHO Housing Program, as described above, envisions a contractual relationship between NORWESCAP, the cottage resident, and the homeowner detailed in a rental agreement and a land lease agreement.

Thank you for interest. If you have any questions or comments, please contact NORWESCAP at (908) 454-7000, ext. 160.

Sincerely,

John J. Korp/jb

John J. Korp
Associate Director

JJK/jb

**NORTHWEST NJ COMMUNITY ACTION PROGRAM, INC.
PRE-APPLICATION**

The following information provided should be concerning the person(s) who would occupy the ECHO HOUSING UNIT:

NAME(S): _____ AGE: _____

_____ AGE: _____

ADDRESS: _____

TELEPHONE NUMBER: _____

TOTAL ANNUAL GROSS INCOME: _____

Are you or other family member(s) disabled or handicapped? _____

If disabled or handicapped, would you require special designs in ECHO Housing unit, such as:

Entrance Ramp for Front Door

Kitchen Designed for Wheelchair Access to Cabinets _____

Bathroom Designed for Wheelchair Access to Shower _____

Any Other Special Needs: _____

PROPERTY OWNER NAME: _____

ADDRESS: _____

MUNICIPALITY: _____

LOT #: _____ BLOCK #: _____

TELEPHONE NUMBER: _____

RELATIONSHIP TO APPLICANT: _____

SUBMIT COPIES OF THE FOLLOWING ITEMS IF AVAILABLE:

1. Copy of Property Survey
2. Copy of the Deed
3. Copy of Municipal Tax Bill

DOES PROPERTY HAVE ADEQUATE ACCESS FOR PLACEMENT OF ECHO UNIT?
(Unit to be delivered in 2 sections, approximately 12' x 22' each on flatbed trailer)

IS PROPERTY LEVEL AND CLEAR OR WOULD EXCAVATION BE REQUIRED TO PREPARE SITE? _____

IS PROPERTY SERVICED BY:

Public Water: _____
Public Sewer: _____

Private Well: _____
Private Septic: _____

ARE THE WATER & SEWAGE SYSTEMS IN GOOD WORKING ORDER AND ADEQUATE TO SUPPORT THE ECHO UNIT? _____

ENCLOSE A COPY OF ANY DESIGN PLANS OR APPROVALS WHICH YOU MAY HAVE FOR YOUR SEPTIC SYSTEM (IF APPLICABLE)

DESCRIBE ANTICIPATED LOCATION ON PROPERTY FOR ECHO UNIT IN RELATION TO MAIN RESIDENCE: (PLEASE SKETCH PROPERTY LOCATION OF ECHO UNIT BELOW)

NORTH

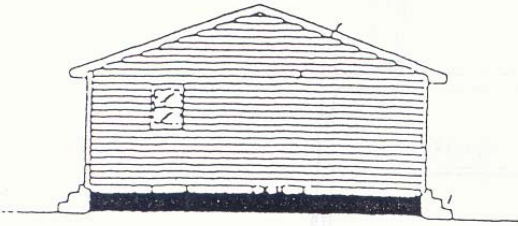
WEST

EAST

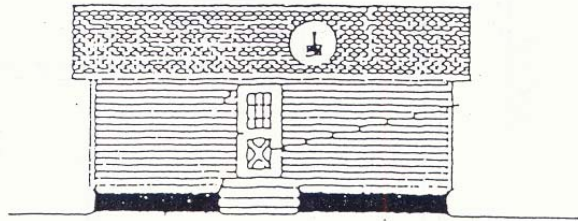
SOUTH



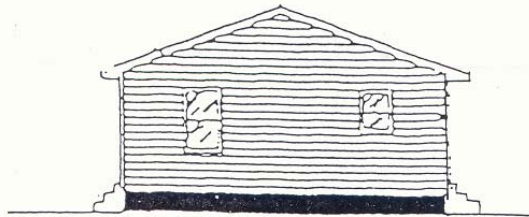
FRONT VIEW



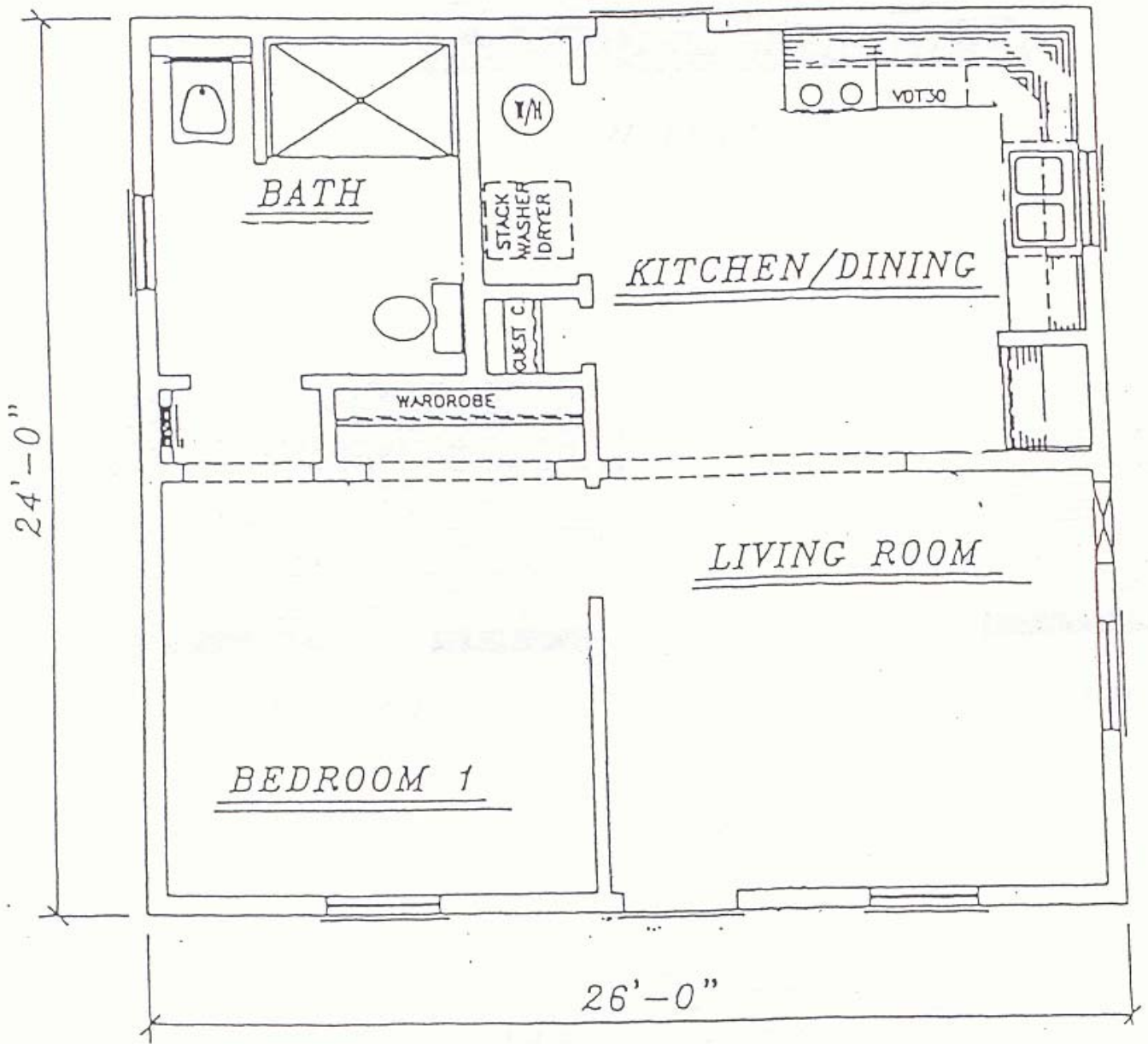
LEFT SIDE VIEW



BACK VIEW



RIGHT SIDE VIEW



HOUSING HI-LITE

NORWESCAP, INC. - 350 MARSHALL ST. - PHILLIPSBURG NJ - (908) 454-7000

ECHO PROJECT !

ELDER COTTAGE HOUSING OPPORTUNITY PROJECT

The US Department of Housing & Urban Development (US HUD) awarded NORWESCAP, Inc. a demonstration grant to implement an **ECHO Program** in the five county area of Somerset, Hunterdon, Warren, Sussex, and Morris New Jersey.

Elder cottages enable elderly persons to live independently in modular cottages (624 sf) containing one bedroom, a bathroom, living room, kitchen and eating area. The unit is connected to the utilities of the existing home.

In the demonstration project, the **ECHO** cottages will be purchased by NORWESCAP, Inc. and rented to elderly persons who wish to live near their relatives. When the elderly persons vacates the cottage, it will be removed and placed in storage until another placement is arranged.

The revenue generated by the rentals will be used for the continued operation of the program. By renting the cottages to eligible elderly occupants and guaranteeing their removal when no longer needed, NORWESCAP, Inc. is assuring the municipalities that the **ECHO** units will not become permanent structures.

For the elderly occupants, the program will provide rental assistance in conjunction with NORWESCAP, Inc. Section 8 funding for the project.

The following restrictions will apply: The cottages are limited to 2 occupants with an annual income within the US HUD Section 8 RAP eligibility guidelines. At least one must be 62 years of age or older and unable to live independently because of physical illness or disability.

- The owner of the permanent residence must live on that lot; and at least one person living in the permanent residence must be related to the elderly tenant by blood, marriage or adoption.
- The owner of the residence must have the means to secure the services of an engineer and attorney to handle all municipal planning procedures; to make all sewer, water & utility connections, and to complete all landscaping, decking, and site work.
- The property must offer enough suitable space and access to utility lines.
- The municipality must adopt a zoning ordinance permitting **ECHO** housing or approve a variance to allow a second living unit on a single family lot.

**ECHO HOUSING INCOME GUIDELINES
ELDER COTTAGE HOUSING OPPORTUNITIES
EFFECTIVE MARCH 2006**

SOMERSET and HUNTERDON COUNTIES

Family size

One Person	\$	33,400.00
Two Person	\$	38,150.00

MORRIS and SUSSEX COUNTIES

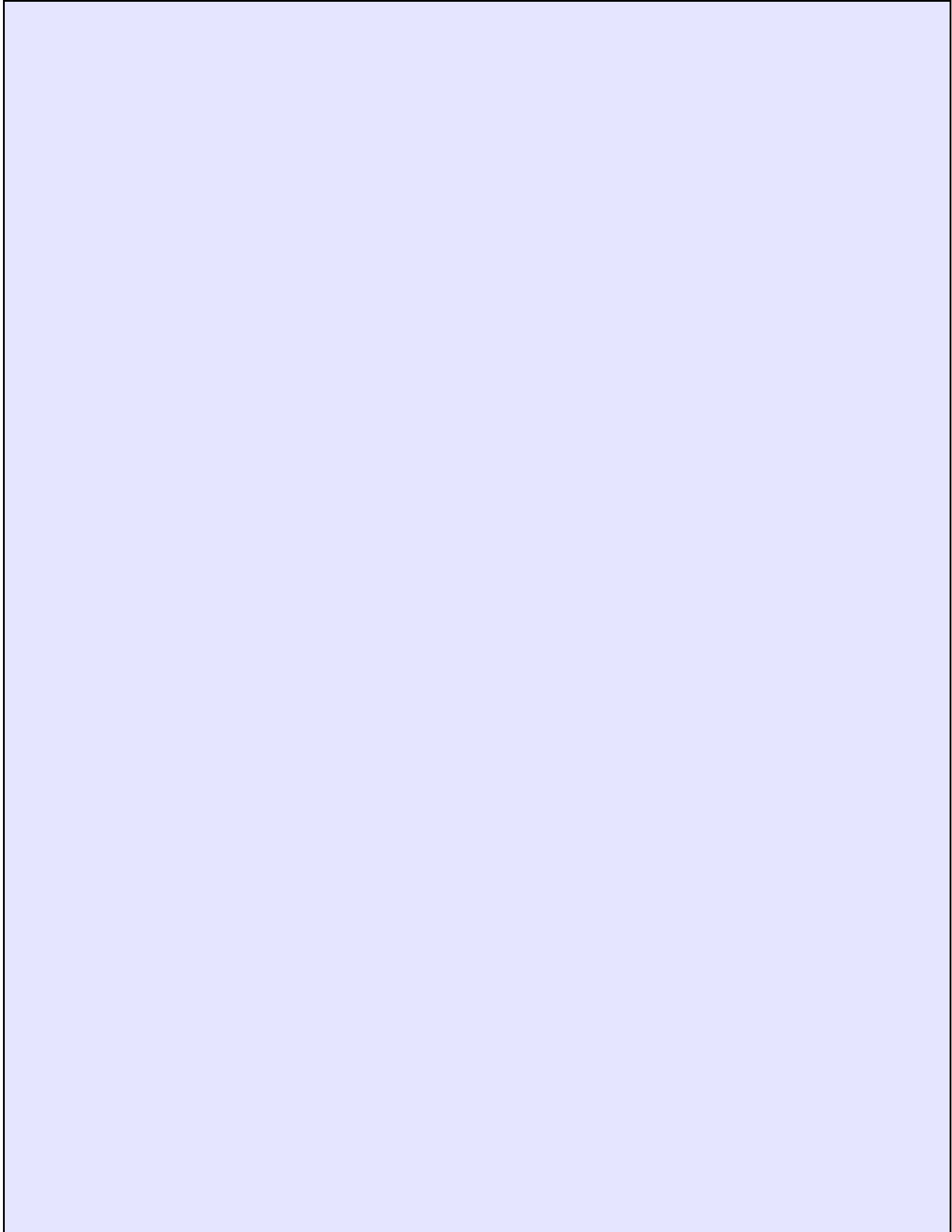
Family size

One Person	\$	29,550.00
Two Person	\$	33,750.00

WARREN COUNTY

Family size

One Person	\$	28,900.00
Two Person	\$	33,050.00



COUNTY OF _____

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE
CODE OF THE TOWN OF _____
TO PERMIT ECHO HOUSING

BE IT ORDAINED, by the _____ of the _____ of _____,
County of _____ and State of New Jersey that the Code of the _____ of _____
be amended and revised as follows:

Section 1 - Article _____ Definitions and word usage is amended to provide for the
following new definition:

ECHO Housing Unit: shall mean Elder Cottage Housing Opportunity unit which is a small removable modular cottage in the rear or side yard of a dwelling. The ECHO unit shall be a separate living quarters, accessory to a primary residence on the premises, not exceeding 750 sq. ft. of gross floor area for the use of and occupancy by not more than two persons who are related by blood, marriage or adoption to the owner who must occupy that primary residence on the premises. One of the ECHO unit occupants shall be 60 years of age or older.

Section 2 - Article _____ is hereby amended to read as follows:

B. Permitted accessory uses:

- (1) Private garages.
- (2) Customary residential storage structures.
- (3) Animal shelters for not more than five (5) domestic pets of the household.
- (4) Other customary residential structures, such as private swimming pools, fireplaces, trellises, lampposts and other similar structures.
- (5) On farms only, customary farm buildings for the housing of livestock and storage of farm products or equipment located on the same parcel as the principal use.
- (6) Signs in accordance with Article _____.
- (7) Off-street parking in accordance with Article _____.
- (8) Home office.
- (9) ECHO Housing Unit.

Section 3 - Article _____ is hereby amended to incorporate a new subsection E as follows:

B. Additional conditions applicable to ECHO Housing Units.

- (1) Dimensional and building standards.
 - a. Minimum lot area shall be _____.

- b. Only one unit shall be permitted per lot, there shall not be more than two bedrooms and each unit shall contain a bathroom, kitchen, living and sleeping facilities.
- c. The unit shall be capable of being moved to another site and shall be located on cinderblock or wooden piers with adequate tiedowns, but not a concrete slab.

(2) Health Department requirements.

- a. Proof of approval by the County Board of Health of Well and Septic Systems must be submitted to the township authorities. A holding tank may be permitted in lieu of a septic system hook up if permitted by N.J.D.E.P.E.A. A separate septic system shall not be created for the unit.

(3) Occupancy standards.

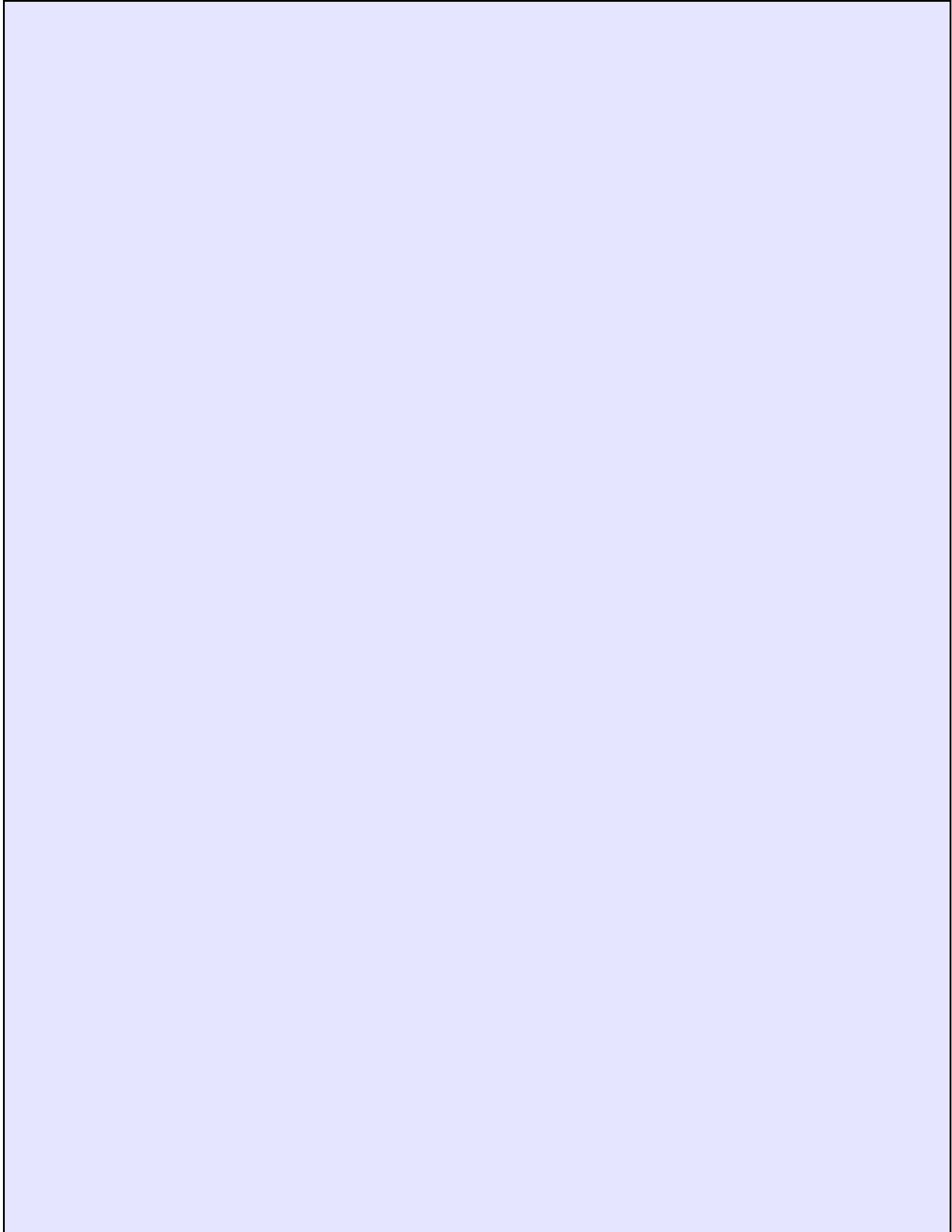
- a. The ECHO Housing Unit shall be removed from the premises upon the death or permanent change of address of the original occupants. A removal shall take place in 90 days and, to facilitate this requirement, the unit shall either (1) be part of an ECHO Housing Unit Program sponsored by the _____ on other government unit or agency or non-profit program; or (2) the _____. Shall be satisfied that adequate provisions (such as bonding to insure the removal of the unit) have been made to insure that removal of the unit at the end of the subject occupancy.
- b. Within 150 days of the termination of occupancy of an ECHO Housing Unit, the lot shall be restored by the owner/occupant of the premises to its status prior to installation of the unit.
- c. An ECHO Housing Unit shall be subject to review and issuance of a permit by the _____ Zoning Officer. Any waiver from any standard contained in this Ordinance shall require site plan approval by the Planning Board.

Section 4 - Article _____ is hereby amended to read as follows:

- C. All accessory used specified in _____ with the exception of ECHO Housing Units.

Section 5 - Miscellaneous

- A. Ordinance or parts of Ordinance inconsistent herewith are hereby repealed to the extent of such inconsistency.
- B. Any provision of this Ordinance which is for any reason held invalid or unconstitutional, shall be deemed a separate, distinct, and independent provision and the invalidity thereof shall not affect the validity of the remaining portions hereof.
- C. This Ordinance shall become effective after final passage and publication according to law and filing of a certified copy thereof with the _____ County Planning Board and the _____ Clerk.



NATIONAL RESOURCE AND POLICY CENTER ON HOUSING AND LONG TERM CARE



HOUSING HIGHLIGHTS: Accessory Units

Older Americans Act

WHAT ARE ACCESSORY UNITS?

Accessory "units" are private housing arrangements in, or adjacent to, existing single family homes. There are two types:

- Accessory Apartments, created within single family homes, are complete living units including a private kitchen and bath.
 - Elder Cottage Housing Opportunity Units are complete, portable, small homes installed in back or side yards of single family house lots.
-

WHY ARE ACCESSORY UNITS IMPORTANT?

- Accessory units are a source of affordable housing for small households.
 - Accessory units adapt existing housing stock.
 - Installation upgrades and improves the property.
 - Accessory units make efficient use of land and existing infrastructure.
 - Accessory units may encourage economic and personal support between two separate households.
 - Accessory units generate rental income for home owners.
-

WHO BENEFITS FROM ACCESSORY UNITS?

HOMEOWNER

- Improvements may pay for themselves

- Extra income is earned through rent received
- Potential for receipt of social and personal support
- Greater security, due to the presence of a tenant

UNIT OCCUPANT

- Modest rent
- Independent living in single family neighborhood
- Potential for receipt of social and personal support
- Community
- Source of moderate-cost housing for small households
- Increase property values and tax revenue
- Units preserve older homes and maintain compliance
- with fire and safety codes

PROBLEMS ASSOCIATED WITH BUILDING ACCESSORY UNITS AND POSSIBLE SOLUTIONS	
PROBLEM/CONSIDERATION	POSSIBLE STRATEGY/SOLUTIONS
Legal Restrictions:	
1) Zoning Ordinances	Explore with local zoning commission the procedure for securing a "conditional" or "special use" permit.
2) Covenants	These conditions written into deeds are generally difficult to change and costly to fight.
NIMBY's (Not In My Backyard)	
Neighbors May Object To a Multifamily Setting	Inform neighbors and neighborhood associations about your building plans. Meet with local officials and neighbors to address concerns
Costs and Tax Issues	Determine the economic feasibility and availability of home remodeling loans with your accountant or bank loan officer. Consult with a tax advisor or benefits specialist to determine the impact renting an accessory unit will have on your tax situation or eligibility for public programs.

	Total general costs for accessory apartments can cost \$20,000 or more. ECHO units may cost \$30,000 or more.
Sharing a Home	Obligations of the landlord and the tenant should be clearly defined in rental contracts.
	Develop a list of detailed interview questions prior to seeking tenant.

HOW TO BEGIN

Building an accessory unit involves a fair amount of time, planning and expense. Consider taking the following steps:

- Determine that your home can be modified to install an apartment or is on a lot that has adequate space and terrain for an ECHO unit.
- **Ask yourself these questions:**
 - Is the unit legal in my jurisdiction?
 - What regulations and upgrades will have to be met?
 - How do I apply for the necessary permits?
 - Can I afford the time and expenses which will be incurred in the application and building process?
- **Once you decide to hire a contractor:**
 - Get recommendations from friends who have had similar projects completed.
 - Ensure that they are licensed and bonded
 - Ask for a written agreement, with only a small down payment. Make the final payment only after the project is completed.
 - Check with your local Better Business Bureau regarding the contractor's reliability and performance record.

ADDITIONAL INFORMATION

ECHO Housing, Construction and Installation Standards. (D12212).

AARP Fulfillment, Consumer Affairs

601 E Street, NW, Washington, D.C. 20049

For more information, call: (202) 972-4700

Price: Free

Key Issues in Accessory Apartments: Zoning and Covenants Restricting Land to Residential Uses. (D1187).

AARP Fulfillment, Consumer Affairs

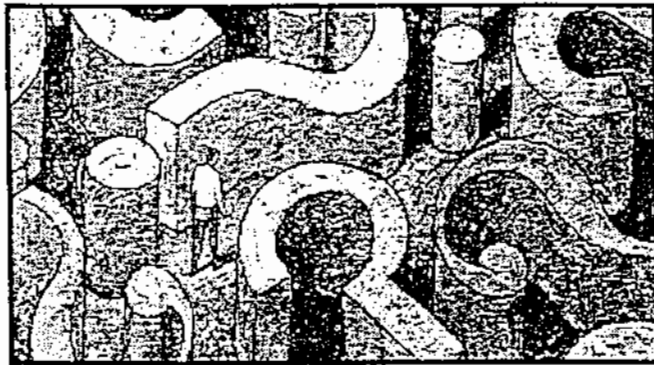
HOUSING HIGHLIGHTS: Accessory

601 E Street, NW, Washington, D.C. 20049
For more information, call: (202) 972-4700
Price: Free

Creating an Accessory Apartment.
by Patrick H. Hare and Jolene N. Ostler.
Patrick H. Hare Planning and Design
1246 Monroe Street, NE, Washington, D.C. 20017
For more information, call: (202) 269-9334
Price: \$15.00 pre-paid/\$18.00 invoiced

Selecting a Professional Remodeling Contractor.
National Association of the Remodeling Industry
4301 N. Fairfax Drive, Suite 310
Arlington, VA 2203-1627
For more information, call: (703) 276-7600
Price: Free

The 1999-2000 COAH Handbook



...getting through the maze.



Council on Affordable Housing
101 South Broad Street
PO Box 813
Trenton, NJ 08625-0813
(609) 292-3000
Fax: (609) 633-6056
Website: <http://www.state.nj.us/dca/coah>



Jane M. Kenny
Chairman

Shirley M. Bishop
Executive Director



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Options:

Once a municipality has determined its fair share after adjustments and/or credits, a plan must be developed to describe how the remaining obligation will be achieved during the six-year certification period. COAH regulations provide an extensive menu of options. These are:

- Rehabilitation of substandard housing
- Zoning for inclusionary developments
- Municipally sponsored new construction and gut rehabilitation
- Purchase of existing, never occupied housing
- Write-down/buy-down program of for-sale, previously owned market housing
- Creation of accessory apartments
- Conversions (old schools, factories, buildings) into affordable housing
- Age-restricted housing including Assisted Living facilities
- Provisions of alternative living arrangements and other innovative approaches such as group homes, congregate housing and transitional facilities
- Rental housing with bonus credit
- RCAs
- ECHO (elder cottage housing opportunities) housing

Each option, summarized below, is described in detail in N.J.A.C. 5:93-5.2 through 5.15 and in N.J.A.C. 5:93-6. Note that COAH has established specific requirements and/or limitations relative to rental housing and age-restricted housing.

Rehabilitation of Substandard Units (N.J.A.C. 5:93-5.2)

A municipality may address its rehabilitation component through rehabilitation or new construction. If a municipality is submitting a program for rehabilitation, the municipality must demonstrate that the program has adequate funding and an experienced entity to administer and market the program. A municipality may not initiate an in-house rehabilitation program where none previously existed to address its rehabilitation obligation.

In addressing the rehabilitation component through rehabilitation, the following minimum documentation must be submitted to COAH:

■ **The purchase of existing housing** that has never been occupied or has been vacant for at least 18 months may be credited toward the municipal fair share obligation. COAH will review such proposals in a manner similar to its review of municipally sponsored construction or gut rehabilitation. In the event that such housing must be rehabilitated or completed, the municipality must demonstrate how and when such work will be done and must assume responsibility for offering housing in sound condition at affordable prices or rents to low and moderate income families. A program for providing such housing must be consistent with COAH regulations and N.J.A.C. 5:93-7 and 5:93-11 except that the bedroom mix must conform as best as practical to N.J.A.C. 5:93-7.3.

■ **Write-down/buy-down program** may be used to address up to 10 units of a municipality's obligation. The municipality must commit a minimum of \$20,000 per house to purchase a previously occupied for sale and market house that is in standard condition and reduce the selling price. Sales prices after the subsidy must conform to the standards in N.J.A.C. 5:93-7.4. The housing must be deed restricted for 30 years to remain affordable and the municipality must identify an experienced administrative entity to run the program.

■ **Elder Cottage Housing Opportunities (ECHO)** housing may address up to 10 units of a municipality's rehabilitation obligation. The municipality must lease or purchase the ECHO housing for at least six years. (See N.J.A.C. 5:93-5.12)

■ **Age-restricted housing** may be used to address, generally, up to 25 percent of a municipality's fair share obligation. (See N.J.A.C. 5:93-5.14 and 5:93-6.1(b) for various formulas) and receive rental bonuses of one-third for up to 50 percent of the rental obligation as per N.J.A.C. 5:93-5.15.

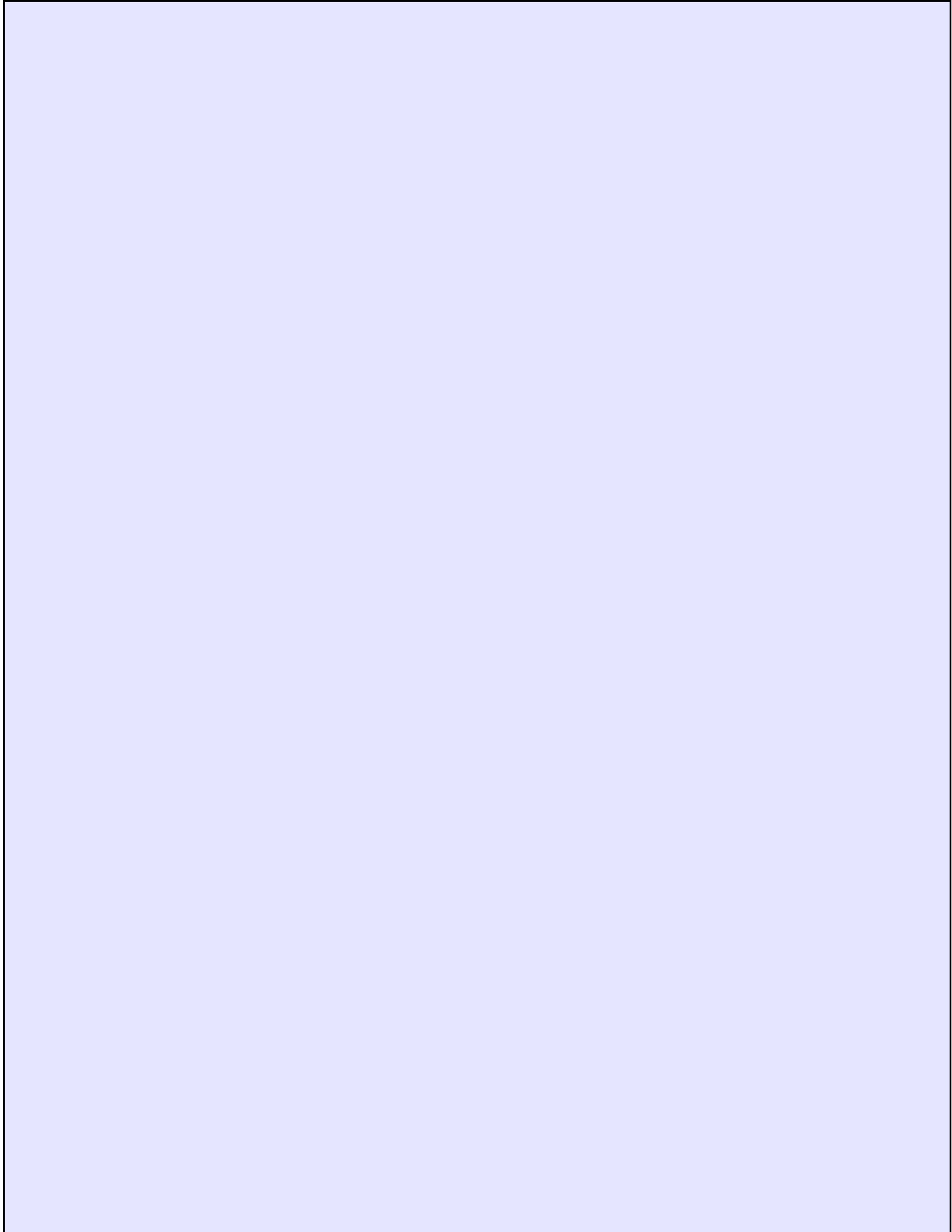
■ **Rental housing** is part of every municipality's fair share obligation (N.J.A.C. 5:93-5.15). Housing open to the general public (often called family housing) may be eligible for a two-for-one credit up to the rental component. Group homes that are not age-restricted are eligible for the two-for-one credit and the credit is by the bedroom. In Assisted Living residences, the credit is by the apartment/unit, not the bedroom.

■ **Assisted Living** - Assisted Living facilities are just arriving in the state and are now being considered for low/moderate income credit. As a result, COAH has not adopted regulations but instead has issued policy guidelines.

The guidelines have two categories for low and moderate income residents of an Assisted Living facility: private pay residents and third party payment or Medicaid Waiver residents.

COAH articulated the following criteria for an Assisted Living residence occupied by a private pay resident to qualify for COAH credit:

- 1) Residents must qualify as moderate income (between 50 and 80 percent of median income) or low income (below 50 percent of median income);
- 2) At least half of the affordable units must be affordable to a low income household or all of the affordable units must be affordable to a household at 60 percent of median income;
- 3) Rents must be affordable so as not to exceed 30 percent of gross monthly income including an allowance for utilities;



GROUND LEASE AGREEMENT

This lease is entered into this ____ day of _____, 20____, by and between _____, of _____ (address), Twp. of _____, County of _____, State of New Jersey, referred to as the "LANDLORD," and Northwest New Jersey Community Action Program, Inc., a nonprofit corporation organized and existing under the laws of the State of New Jersey, whose principal office is at 350 Marshall Street (address), City of Phillipsburg, County of Warren, State of New Jersey, referred to as the "TENANT," jointly referred to as the "parties."

WITNESSETH:

WHEREAS, NORWESCAP is a not for profit corporation of the State of New Jersey, which provides a variety of community based programs to assist persons with special needs; and

WHEREAS, one of the programs undertaken by NORWESCAP include the development of affordable housing; and

WHEREAS, the Township has received substantive certification from the Council on Affordable Housing (COAH) for the Township's plans to meet its obligation of proving its fair share of housing for low and moderate income persons pursuant to the Fair Housing Act and Administrative Regulations adopted pursuant thereto; and

WHEREAS, NORWESCAP is an organization that constructs and manages types of housing which satisfy certain COAH obligations; and

WHEREAS, the Township is currently the owner of real property purchased for development of senior housing purposes in partial satisfaction of the Township's COAH obligation. Said property being known and designated as Block ____ Lot ____ on the Township's tax map; and

WHEREAS, NORWESCAP is desirous of developing said Township owned property for the purpose of constructing affordable housing meeting ADA requirements for a limited number of senior citizens; and

WHEREAS, the Township is desirous of developing said property through NORWESCAP for purpose of partially satisfying the Township's COAH obligations; and

WHEREAS, The Local Lands and Buildings Law (N.J.S.A. 40A:12-1, et. seq.); The Redevelopment and Housing Law (N.J.S.A. 40A: 12A-1 et. seq.); and The Fair Housing Act (N.J.S.A. 52:27D-325) provide that the Governing Body may, by Resolution, authorize site control and development of Township owned property to a non-profit entity with a contractual guarantee that the housing unit will remain available to low and moderate income households only for a period of at least thirty (30) years;

NOW, THEREFORE, the parties hereto, for and in consideration of their mutual promises, covenants, and agreements herein contained, do hereby mutually agree as follows:

1. LEASE OF PROPERTY; SUBLEASE

A. LANDLORD leases to TENANT, and TENANT leases from LANDLORD the Property in the Twp. of _____, County of _____, State of New Jersey, described in EXHIBIT A (include survey, tax map, or other acceptable description) attached to and made part of this lease agreement (hereinafter referred to as "Property"). This lease agreement shall create the relationship of LANDLORD and TENANT between the parties hereto.

B. TENANT shall have the right to sublet to _____, "SUBLESSEE." LANDLORD acknowledges that after the execution and delivery of this lease agreement, there will be executive and delivered a sublease from TENANT to SUBLESSEE. The SUBLESSEE shall not have the right to assign or transfer its lease agreement.

C. This lease is made upon the foregoing and the following covenants and conditions, all and every one of which the LANDLORD and TENANT covenant and agree to keep and perform.

2. SUBORDINATION

This lease, its terms, conditions, and rights hereinafter, are expressly made, given and granted subject and subordinate to the lien of any bona fide mortgage that LANDLORD may secure, or has secured; and TENANT agrees to execute any instrument or instruments required by mortgagee to subordinate the terms of this lease to any such mortgage that may be placed upon the Property by LANDLORD.

3. TERM;

A. Term. The term of this lease shall be for THIRTY (30) years, commencing on _____ (date), and ending on _____ (date).

4. RENT

TENANT shall pay to LANDLORD rent for the Property an annual rent of ONE Dollar (\$1.00). TENANT agrees to pay LANDLORD at _____ (address), in the County of _____, State of New Jersey.

5. TAXES

A. LANDLORD agrees to furnish the Property and to pay any and all taxes related to the Property, including, but not limited to state and local property taxes. LANDLORD further agrees to pay all special assessments and levies or charges made by any municipal or political subdivision for local improvements, and shall pay the same in cash as they shall fall due and before they become delinquent. TENANT is exempt from taxation or any other assessment on the ECHO unit.

B. Being aware that TENANT is a tax-exempt entity, LANDLORD further agrees to notify its local tax assessment office of its plans to permit the development of elder housing units on its land.

6. WARRANTIES OF TITLE AND QUIET POSSESSION

LANDLORD covenants that LANDLORD is lawfully seized of the Property and has full right to make this lease agreement and that TENANT shall have quiet and peaceful possession of the Property during the term of this lease agreement.

7. INDEMNIFICATION OF LANDLORD; INSURANCE OF TENANT

A. TENANT shall indemnify the LANDLORD against all costs and expenses, including counsel fees, lawfully and reasonably incurred in or about the Property, or in defense of any action or proceeding, or in discharging the Property from any charge, lien, or encumbrance, or in obtaining possession after default of the TENANT or termination of this lease. The preceding sentence shall not apply to loss, injury, death, or damage arising by reason of the negligence or misconduct of LANDLORD, its agents, or employees.

B. TENANT agrees to keep the building and improvements upon the Property insured against loss or damage by fire, flood, or other natural disasters, as required.

8. PERMISSIBLE USE

The Property may be used by TENANT for the sole purpose of providing affordable housing meeting ADA requirements for a limited number of senior citizens. In addition, TENANT may make any necessary improvements or alterations to the Property required, including, but not limited to any improvements or alterations needed to provide sewer, water, gas, and electric services to the structures.

9. COMPLIANCE WITH LAWS; PROHIBITION AGAINST WASTE

A. During the term of this lease agreement, TENANT shall comply with all applicable laws affecting the Property, the breach of which might result in any penalty on LANDLORD or forfeiture of LANDLORD's title to the Property.

B. TENANT shall not commit waste on the Property except as necessary for the removal or construction of any buildings and improvements on the Property, but shall not be liable for any damages to or destruction of any buildings or improvements on the Property, nor required to repair or rebuild the buildings or improvements.

10. TENANT'S DUTY TO CONSTRUCT IMPROVEMENTS

A. TENANT will construct on the Property, together with on-site and off-site improvements, in accordance with plans, specifications, and detailed diagrams of this work attached hereto as EXHIBIT B.

B. TENANT is responsible for all maintenance expenses.

11. RIGHTS OF ENTRY AND INSPECTION

LANDLORD hereby grants to TENANT and the State of New Jersey the right to enter the Property to conduct any inspections they deem necessary or prudent.

12. LANDLORD'S RIGHT TO REENTRY

LANDLORD reserves the right to reenter upon the leased Property, as defined in Exhibit A, at any reasonable time for purpose of viewing them or making repairs or improvements on or to the Program. LANDLORD shall provide TENANT twenty-four (24) hour notice of such inspection. In case of emergency, LANDLORD may enter at any time to protect life and prevent damage to the Property.

13. ATTORNEY IN FACT; COOPERATION OF LANDLORD

LANDLORD hereby appoints TENANT its attorney in fact for purposes of obtaining all necessary approvals and permits. Furthermore, LANDLORD agrees to cooperate and to execute all documents reasonably required to achieve all necessary approvals and building permits for the project development and all on-site and off-site improvements.

14. EASEMENTS

TENANT shall have the right to enter into reasonable agreements with utility companies creating easements in favor of such companies as are required in order to service the building on the Property. LANDLORD covenants and agrees to consent to such agreements and to execute any and all documents, agreements, and instruments, and to take all other actions, in order to effectuate them, all at TENANT'S cost and expense. LANDLORD further agrees that it will grant to TENANT easements in favor of TENANT across the Property for purposes of ingress and egress.

15. UTILITIES

A. TENANT acknowledges that all utility connection for the affordable housing unit will be in its name and will be separately metered for billing purposes from the LANDLORD's current accounts.

B. All water, gas, electricity, telephone and other public utility services used or furnished to the Property during the term of this lease shall be paid by TENANT.

16. ENCUMBRANCE OF LEASEHOLD INTEREST; MECHANICS' LIENS

A. TENANT may not encumber by mortgage or deed of trust, or other proper instrument, its leasehold interest in the Property. The execution of any such mortgage or deed of trust, shall be held as a violation of this lease agreement. The Landlord shall be notified of any encumbrances.

B. The TENANT shall not suffer or permit any mechanics' liens to be filed against the fee of the Property, nor against the TENANT's leasehold interest in said Property by reason of work, labor, services or materials supplied, or claimed to have been supplied, to the TENANT, or anyone holding the Property or any part thereof, through or under the TENANT.

C. The TENANT shall not suffer or permit any mechanics' liens to be filed against the building, by reason of work, labor, services or materials supplied, or claimed to have been supplied, to the TENANT, or anyone occupying the affordable housing units or any part thereof, through or under the TENANT.

17. PROHIBITION OF INVOLUNTARY ASSIGNMENT

Except for an assignment of the lease agreement, leasehold estate or any interest by the TENANT to the Landlord, neither this lease agreement nor the leasehold estate of TENANT nor any interest of TENANT under this lease agreement in the Property or any buildings or improvements on the Property shall be subject to involuntary assignment, transfer, or sale, or to assignment, transfer, or sale by operation of law in any manner and any attempted involuntary assignment, transfer, or sale shall be void and of no effect.

18. PARTIES BOUND

This lease agreement shall be binding on and shall inure to the benefit of and shall apply to the respective successors and assigns of LANDLORD and TENANT. All references in this lease agreement to "LANDLORD" and "TENANT" shall be deemed to refer to and include successors and assigns of LANDLORD and TENANT without specific mention of such successors or assigns.

19. EFFECT OF EMINENT DOMAIN

If more than 50 percent (50 %) of the area of the land included in the Property shall be appropriated or take under the power of eminent domain by any person or by any public or quasi-public authority, either party to this lease agreement shall have the right to terminate this lease agreement as of the date of such taking on giving the other party written notice of the election within sixty (60) days.

20. NOTICES

A. All notices, demands, or other writings in this lease agreement provided to be given or made or sent, or which may be given or made or sent, by either party to the other, shall be deemed to have been fully given or made or sent when made in writing and deposited in the United States mail, registered and postage prepaid, and addressed as follows:

TO LANDLORD: _____

TO TENANT: Northwest NJ Community Action Program, Inc.
350 Marshall Street
Phillipsburg, NJ 08865

21. LANDLORD'S DUTY TO NOTIFY THIRD PARTIES

LANDLORD has provided actual notification of this lease agreement to all other interested or affected parties, including, but not limited to: all mortgagees on the Property; any other present or future estate holders; and insurance companies currently holding policies on the Property.

22. BREACH; DEFAULT

Each party agrees that if it fails or neglects to observe, keep, or perform any of the covenants, terms, or conditions contained in this lease agreement, it will be considered in breach of this lease agreement.

23. NOTICE OF DEFAULT

Neither party shall be deemed to be in default under this lease agreement unless the other party first gives thirty (30) days' written notice of the breach and the delinquent party fails to cure the violation within sixty (60) days.

24. REMEDIES

In the event of any default of this lease agreement by one party, the other party, in addition to the other rights or remedies it may have, shall have the immediate right to terminate this lease.

25. WAIVER

A waiver by LANDLORD of any breach of any covenant or duty of TENANT under this lease is not a waiver of a breach of any other covenant or duty of TENANT, or of any subsequent breach of the same covenant or duty.

26. TIME OF THE ESSENCE

Time is of the essence of this lease agreement and all of its provisions.

27. GOVERNING LAW

It is agreed that this lease agreement shall be governed by, construed, and enforced in accordance with the laws of the State of New Jersey.

28. ATTORNEY FEES

In the event that any action is filed in relation to this lease agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorney's fees.

29. PARAGRAPH HEADINGS

The titles to the paragraphs of this lease agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this lease agreement.

30. ENTIRE AGREEMENT

This agreement shall constitute the entire agreement between the parties. Any prior understanding or representation of any kind preceding the date of this agreement shall not be binding upon either party except to the extent incorporated in this agreement.

31. MODIFICATION OF AGREEMENT

Any modification of this agreement or additional obligation assumed by either party in connection with this agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party.

32. EFFECT OF PARTIAL INVALIDITY

The invalidity of any portion of this lease agreement will not and shall not be deemed to affect the validity of any other provision. In the event that any provision of this lease agreement is held to be invalid, the parties agree that the remaining provisions shall be deemed to be in full force and effect as if they had been executed by both parties subsequent to the expungement of the invalid provision.

33. COUNTERPARTS

This lease agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, each party to this lease agreement has caused it to be executed at _____ (place of execution) on the date indicated below.

WITNESS:

Print or Type Name:

Date: _____

LANDLORD:

Print or Type Name:

Date: _____

WITNESS:

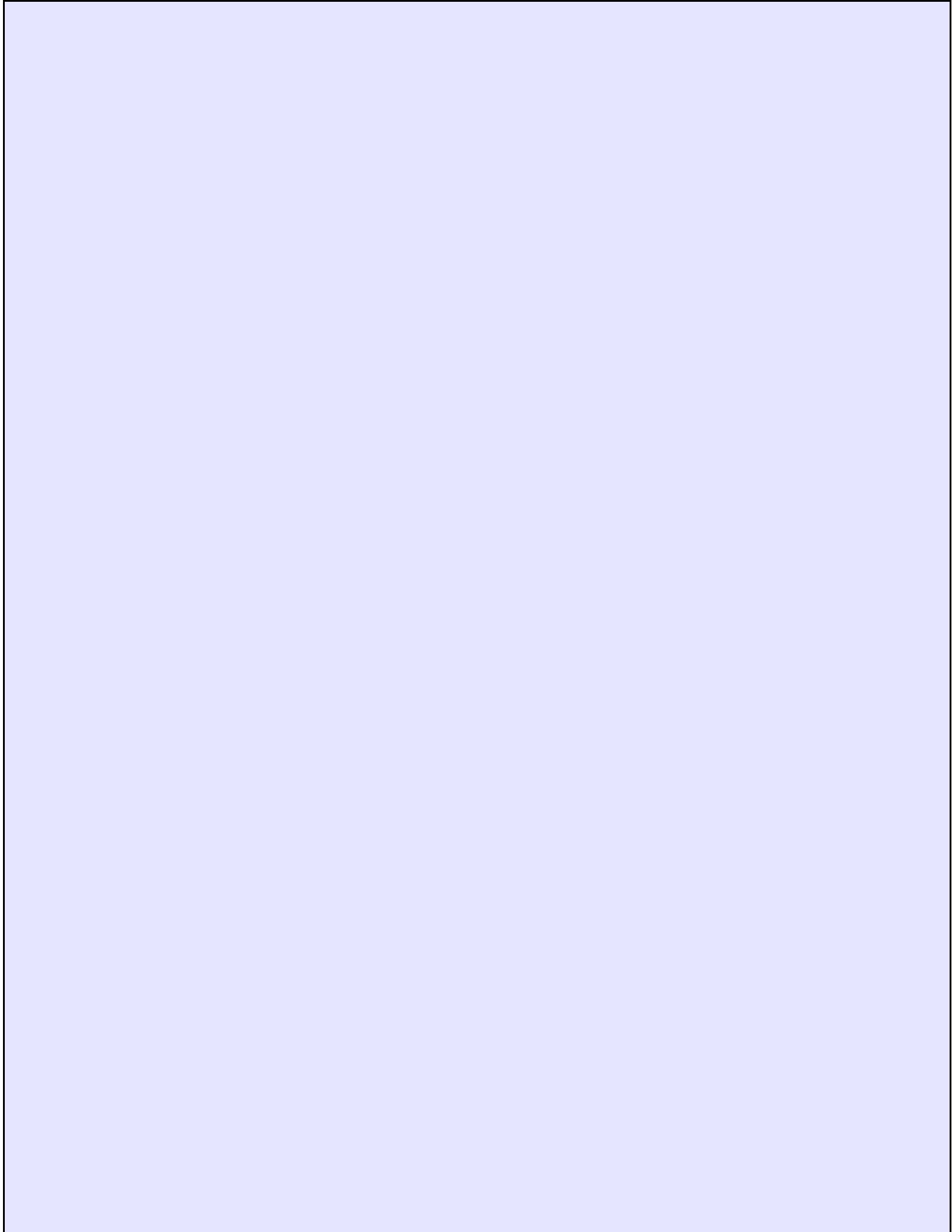
Print or Type Name:

Date: _____

TENANT:

BY: _____
Title: _____
Print or Type Name:

Date: _____



Supportive Housing for the Elderly

This agreement made and entered into this _____ day of _____, _____, between _____ as Landlord, and _____, as Tenant.

WITNESSETH:

WHEREAS, the LANDLORD is the Mortgagor under a Mortgage covering the project in which the hereinafter described unit is situated, which secures a capital advance made by the Secretary of Housing and Urban Development (HUD) (hereinafter "Secretary") pursuant to Section 202 of the Housing Act of 1959, as amended, and

WHEREAS, the LANDLORD has entered into a Project Rental Assistance Contract (PRAC) with the Secretary.

WHEREAS, pursuant to a Regulatory Agreement entered into between the LANDLORD and the Secretary, the LANDLORD has agree to limit occupancy of the project to elderly families and individuals as defined in Section 202 of the Housing Act of 1959, as amended, and applicable HUD regulations under criteria for eligibility of TENANTS for admission to assisted units and conditions of continued occupancy in accordance with the terms and provisions of the PRAC Contract, and

NOW THEREFORE,

1. The LANDLORD leases to the TENANT, and the TENANT leases from the LANDLORD the dwelling unit for a term of one year commencing on _____, and ending on _____.

2. The total rent (Contract Rent) shall be _____ per month.

3. The total rent specified in Paragraph 2, above, shall include the following utilities.

(If the total rent includes all utilities, enter "ALL"; where TENANTS pay some or all utilities, enter the following additional paragraph as 3a.)

The total rent stipulated herein does not include the cost of the following utility service(s), for which the Utility Allowance is \$_____.

Charges for such service(s) is/are to be paid directly by the TENANT to the utility company/companies providing such service(s). If the Utility Allowance exceeds the required TENANT's share of the total housing expense per HUD-Approved schedule and criteria, the LANDLORD shall pay the TENANT the amount of such excess on behalf of the Government upon receipt of funds from HUD for that purpose.

4. Of the total rent, \$_____ shall be payable by or at the direction of HUD as project rental assistance payments on behalf of the TENANT, and \$_____ shall be payable by the TENANT. These amounts shall be subject to change by reason of changes in HUD requirements, changes in the TENANT's family income, family composition, or extent of exceptional medical or other unusual expenses in accordance with HUD-established schedules and criteria; or by reason of adjustment by HUD of any applicable Utility Allowance. Any such change shall be effective as of the date stated in a Notice to the TENANT.

5. The TENANT's share of the rent shall be due and payable on or before the first day of each month to the LANDLORD, or to such other person or persons or at such places as the LANDLORD may from time to time designate in writing.

6. A security deposit in an amount equal to one month's rent payable by the TENANT or \$50, whichever is greater, shall be required at the time of execution of this Agreement. Accordingly, TENANT hereby makes a deposit of \$_____ against any damage except reasonable wear done to the premises by the TENANT, his/her family, guests, or agents, and agrees to pay when billed the full amount of any such damage in order that the deposit will remain intact. Upon termination of this Lease, the deposit is to be refunded to the TENANT or to be applied to any such damage or any rent delinquency. The LANDLORD shall comply with all State and local laws regarding interest payments on security deposits.

7. The LANDLORD shall not discriminate against the TENANT in the provision of services or in any other manner on the grounds of race, color, creed, religion, sex, familial status, national origin, or handicap.

8. Unless terminated or modified as provided herein, this Agreement shall be automatically renewed for successive terms of one month each at the aforesaid rental, subject to adjustment as herein provided.

(a) The TENANT may terminate this Agreement at the end of the initial term or any successive term by giving 30 days written notice in advance to the LANDLORD. Whenever the LANDLORD has been in material noncompliance with this Agreement, the TENANT may in accordance with State law terminate this Agreement by so advising the LANDLORD in writing.

(b) The LANDLORD's right to terminate this Agreement is governed by the regulation of the Secretary at 24 UFR 891.430 and 24 CFR Part 247 (herein referred to as the HUD Regulation). The HUD Regulation provides that the LANDLORD may terminate this Agreement only under the following circumstances:

(1) The LANDLORD may terminate, effective at the end of the initial term or any successive term, by giving the TENANT notification in the manner prescribed in paragraph (g) below that the term of this Agreement is not renewed and this Agreement is accordingly terminated. This termination must be based upon either material noncompliance with this Agreement, material failure to carry out obligation under any State landlord or tenant act, or criminal activity that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises, any criminal activity that threatens the health or safety of any on-site property management staff responsible for managing the premises; or any drug-related criminal activity on or near such premises, engaged in by a resident, any member of the resident's household or other person under the resident's control; or other good cause. When the termination of the tenancy is based on other good cause, the termination notice shall so state, and the tenancy shall terminate at the end of a term and in accordance with the termination provisions of this Agreement, but in no case earlier than 30 days after receipt by the TENANT of the notice. Where the termination notice is based on material noncompliance with this Agreement or material failure to carry out obligations under a State landlord and tenant act, the time of service shall be in accordance with the previous sentence or State law, whichever is later.

(2) Notwithstanding subparagraph (1), whenever the TENANT has been in material noncompliance with this Agreement, the LANDLORD may, in accordance with State law and the HUD Regulation, terminate this Agreement by notifying the TENANT in the manner prescribed in paragraph (g) below.

(c) If the TENANT does not vacate the premises on the effective date of the termination of this Agreement, the LANDLORD may pursue all judicial remedies under State and local law for the eviction of the TENANT, and in accordance with the requirements in the HUD Regulation.

(d) The term “material noncompliance with this Agreement” shall, in the case of the TENANT, include (1) one or more substantial violations of this Agreement, (2) repeated minor violations of this Agreement which disrupt the livability of the project, adversely affect the health or safety of any person or the right of any tenant to the quiet enjoyment of the leased premises and related project facilities, interfere with the management of the project or have an adverse financial effect on the project, (3) failure of the TENANT to timely supply all required information on the income and composition, or eligibility factors of the TENANT household (including failure to meet the disclosure and verification requirements for Social Security Numbers, as provide by 24 UFR Part 5, Subpart B, or knowingly providing incomplete or inaccurate information). Nonpayment of rent or any other financial obligation due under this Agreement (including any portion thereof) beyond any grace period permitted under State law shall constitute a substantial violation. The payment of rent or any other financial obligation due under this Agreement after the due date but within any grace period permitted under State law shall constitute a minor violation.

(e) The conduct of the TENANT cannot be deemed other good cause unless the LANDLORD has given the TENANT prior notice that said conduct shall henceforth constitute a basis for termination of this Agreement. Said notice shall be served on the TENANT in the manner prescribed in paragraph (g) below.

(f) The LANDLORD’s determination to terminate this Agreement shall be in writing and shall (1) state that the Agreement is terminated on a date specified therein, (2) state the reasons for the LANDLORD’s action with enough specificity so as to enable the TENANT to prepare a defense, (3) advise the TENANT that if he or she remains in the leased unit on the date specified for termination, the LANDLORD may seek to enforce the termination only by bringing a judicial action at which time the TENANT may present a defense, and (4) be served on the TENANT in the manner prescribed by paragraph (g) below.

(g) The LANDLORD’s termination notice shall be accomplished by (1) sending a letter by first class mail, properly stamped and addressed, to the TENANT at his/her address at the project, with a proper return address, and (2) serving a copy of said notice on any adult person answering the door at the leased dwelling unit, or if no adult responds, by placing the notice under or through the door, if possible, or else by affixing the notice to the door. Service shall not be deemed effective until both notices provided for herein have been accomplished. The date on which the date on which the first class letter provided for in clause (1) herein is mailed, or the date on which the notice provided for in clause (2) is properly given, whichever is later.

(h) The LANDLORD may, with the prior approval of HUD, modify the terms and conditions of the Agreement, effective at the end of the initial term or a successive term, by the serving an appropriate notice on the TENANT, together with the tender of a revised Agreement or an addendum revising the existing Agreement. Any increase in rent shall in all cases be governed by 24 CFR Parts 245, 246 and other applicable HUD regulations. This notice and tender shall be served on the TENANT (as defined in paragraph (g)) at least 30 days prior to the last date on which the TENANT has the right to terminate the tenancy without being bound by the codified terms and conditions. The TENANT may accept it by executing the tendered revised Agreement or addendum, or may reject it by giving the LANDLORD written notice at least 30 days prior to its effective date that he/she intends to terminate the tenancy. The TENANT's termination notice shall be accomplished by sending a letter by first class mail, properly stamped and addressed to the LANDLORD at his/her address.

9. TENANT agrees that the family income, family composition and other eligibility requirements shall be deemed substantial and material obligations of his/her tenancy with respect to the amount of rental he/she will be obligated to pay and his/her right of occupancy, and that a recertification of income shall be made to the LANDLORD annually from the date of this lease in accordance with HUD regulations and requirements.

10. TENANT agrees that the TENANT's share of the monthly rental payment is subject to adjustment by the LANDLORD to reflect income changes which are disclosed on any of TENANT's recertification of income, and TENANT agrees to be bound by such adjustment to the TENANT, by an addendum to be made a part of this lease, stating the amount of the adjusted monthly rental which the TENANT will be required to pay.

11. The TENANT shall not assign this lease, sublet the premises, give accommodation to any roomers or lodgers, or permit the use of the premises for any purpose other than as a private dwelling solely for the TENANT and his/her family. The TENANT agrees to reside in this unit and agrees that his unit shall be the TENANT's and his/her family's only place of residence.

12. TENANT agrees to pay the LANDLORD any rental which should have been paid but for (a) TENANT's misrepresentation in his/her initial income certification or recertification, or in any other information furnished to the LANDLORD or (b) TENANT's failure to supply income recertification when required to supply information requested by the LANDLORD.

13. TENANT for himself/herself and his/her heirs, executors and administrators agrees as follows:

(a) To pay the rent herein stated promptly when due, without any deductions whatsoever, and without any obligation on the part of the LANDLORD to make any demand for the same;

(b) To keep the premises in a clean and sanitary condition, and to comply with all obligations imposed upon TENANT under applicable provisions of building and housing codes materially affecting health and safety with respect to said premises and appurtenances, and to save the LANDLORD harmless from all fines, penalties and costs for violations or noncompliance by TENANT with any of said laws, requirements or regulations, and from all liability arising out of any such violations or noncompliance.

(c) Not to use premises for any purpose deemed hazardous by insurance companies carrying insurance thereon;

(d) That if any damage to the property shall be caused by his/her acts or neglect, the TENANT shall forthwith repair such damage at his/her own expense, and should the TENANT fail or refuse to make such repairs within a reasonable time after the occurrence of such damage, the LANDLORD may, at his/her option, make such repairs and charge the cost thereof to the TENANT, and the TENANT shall thereupon reimburse the LANDLORD for the total cost of the damages so caused;

(e) To permit the LANDLORD, or his/her agents, or any representative of any holder of a mortgage on the property, or when authorized by the LANDLORD, the employees of any contractors, utility company, municipal agency or others, to enter the premises for the purpose of making reasonable inspections and repairs and replacement,

(f) Not to install a washing machine, clothes dryer, or air conditioning unit in the apartment without the prior approval of the LANDLORD, and

(g) To permit the LANDLORD or his/her agents to bring appropriate legal action in the event of a breach or threatened breach by the TENANT of any of the covenants or provisions of this lease.

14. The TENANT is permitted to keep common household pets in his/her dwelling unit (subject to the provisions in 24 CFR Part 5 Subpart C) and the pet rules promulgated under 24 CFR 5.315). Any pet rules promulgated by the LANDLORD are attached hereto and incorporated hereby. The TENANT agrees to comply with these rules. A violation of these rules may be grounds for removal of the pet or termination of the TENANT's (pet owner's) tenancy (or both), in accordance with the provisions of 24 CFR Part 5, Subpart C and applicable regulations and State or local law. These regulations include 24 CFR Part 247 (Evictions From Certain Subsidized and HUD-Owned Projects) and provisions governing the termination of tenancy under the Project Rental Assistance Contract.

Note: Part 5, Subpart C does not apply to animals that are used to assist the handicapped who reside in the project or who visit the project.

(Optional) The LANDLORD may after reasonable notice to the TENANT and during reasonable hours, enter and inspect the premises. Entry and inspection is permitted only if the LANDLORD has received a signed, written complain alleging (or the LANDLORD has reasonable grounds to believe) that the conduct or condition of a pet in the dwelling unit constitutes, under applicable State or local law, a nuisance or a threat to the health or safety of the occupants of the project or other persons in the community where the project is located.

If there is not State or local authority (or designated agent of such an authority) authorized under applicable State or local law to remove a pet that becomes vicious, displays symptoms of severe illness, or demonstrates other behavior that constitutes an immediate threat to the health or safety of the tenancy as a whole, the LANDLORD may enter the premises (if necessary), remove the pet, and take such action with respect the pet as may be permissible under State and local law, which may include placing it in a facility that will provide care and shelter for a period not to exceed 30 days. The LANDLORD shall enter the premises and remove the pet or take such other permissible action only if the LANDLORD requests the TENANT (pet owner) to remove the pet from the project immediately, and the TENANT (pet owner) refuses to do so, or if the LANDLORD is unable to contact the TENANT (pet owner) to make a removal request. The cost of the animal care facility shall be paid as provided in 24 CFR 5.363.

15. The LANDLORD agrees to comply with the requirement of all applicable Federal, State, and local laws, including health, housing and building codes and to deliver and maintain the premises in safe, sanitary decent condition.

16. The TENANT, by the execution of this Agreement, admits that the dwelling unit described herein has been inspected by him/her and meets with his/her approval. The TENANT acknowledges hereby that said premises have been satisfactorily completed and that the LANDLORD will not be required to repaint, replaster, or otherwise perform any other work, labor, or service which it has already performed for the TENANT. The TENANT admits that he/she has inspected the unit and found it to be in good and tenantable condition, and agrees that at the end of the occupancy hereunder to deliver up and surrender said premises to the LANDLORD is as good condition as when received, reasonable wear and tear excepted.

17. No alteration, addition, or improvements shall be made in or to the premises without the prior consent of the LANDLORD in writing. The LANDLORD must consent to reasonable modifications needed to permit a handicapped persons full enjoyment of the premises as required by the Fair Housing Act. The LANDLORD will make reasonable alterations, additions or improvements if necessary to accommodate the TENANT as required by Section 504 (24 CFR Part 8).

18. TENANT agrees not to waste utilities furnished by the LANDLORD; not to use utilities or equipment for any improper or unauthorized purpose; and not to place fixtures, signs, or fences in or about the premises without the prior permission of the LANDLORD in writing. If such permission is obtained, TENANT agrees, upon termination of the lease, to remove any fixtures, signs or fences, at the option of the LANDLORD, without damage to the premises.

19. This Agreement shall be subordinate in respect to any mortgages that are now on or that hereafter may be placed against said premises, and the recording of such mortgage or mortgages shall have preference and precedence and be superior and prior in lien to this Agreement, and the TENANT agrees to execute any such instrument without cost, which may be deemed necessary or desirable to further effect the subordination of this Agreement to any such mortgage or mortgages and a refusal to execute such instruments shall entitle the LANDLORD, or the canceling this Agreement without incurring any expense or damage, and the term hereby granted is expressly limited accordingly.

20. Failure of the LANDLORD to insist upon the strict performance of the terms, covenants, agreement and conditions herein contained, or any of time, shall not constitute or be construed as a waiver or relinquishment of the LANDLORD's right thereafter to enforce any such term, covenant, agreement, or condition, but the same shall continue in full force and effect.

21. In return for the TENANT's continued fulfillment of the terms and conditions of this Agreement, the LANDLORD covenants that the TENANT may at all times, while this Agreement remains in effect, have and enjoy for his/her sole use and benefit the above described property.

TENANT

BY:

1. _____ / / _____

LANDLORD

BY:

1. _____ / / _____