

ORDINANCE 53-2006

ORDINANCE OF THE BOROUGH OF MADISON AMENDING CHAPTER 195 OF THE MADISON BOROUGH CODE ENTITLED "LAND DEVELOPMENT ORDINANCE OF THE BOROUGH OF MADISON" TO CREATE THE POSITION OF MUNICIPAL HOUSING LIAISON FOR THE PURPOSE OF ADMINISTERING MADISON BOROUGH'S AFFORDABLE HOUSING PROGRAM PURSUANT TO THE FAIR HOUSING ACT

WHEREAS, the Borough Administrator has recommended that the position of Municipal Housing Liaison be established pursuant to COAH regulations; and

WHEREAS, the Council has determined to create such position.

NOW THEREFORE BE IT ORDAINED by the Council of the Borough of Madison in the County of Morris and State of New Jersey as follows:

SECTION 1: Chapter 195 of the Borough Code entitled "Land Development Ordinance of the Borough of Madison" is amended to include the following Article XI entitled "Municipal Housing Liaison":

ARTICLE XI

Municipal Housing Liaison

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§195-49.

A. Purpose.

The purpose of this article is to create the administrative mechanisms needed for the execution of the Borough of Madison's responsibility to assist in the provision of affordable housing pursuant to the Fair Housing Act of 1985.

B. Definitions.

As used in this article, the following terms shall have the meanings indicated:

MUNICIPAL HOUSING LIAISON – The employee charged by the governing body with the responsibility for oversight and administration of the affordable housing program for the Borough of Madison.

ADMINISTRATIVE AGENT – The entity responsible for administering the affordability controls of some or all units in the affordable housing program for the Borough of Madison to ensure that the restricted units under administration are affirmatively marketed and sold or rented, as applicable, only to low- and moderate-income households.

C. Establishment of Municipal Housing Liaison position and compensation; powers and duties.

(1) Establishment of position of Municipal Housing Liaison. There is hereby established the position of Municipal Housing Liaison for the Borough of Madison.

(2) Subject to the approval of the Council on Affordable Housing (COAH), the Municipal Housing Liaison shall be appointed by the Governing Body and may be a full or part time municipal employee.

(3) The Municipal Housing Liaison shall be responsible for oversight and administration of the affordable housing program for the Borough of Madison, including the following responsibilities which may not be contracted out:

(a) Serving as the Borough of Madison's primary point of contact for all inquiries from the State, affordable housing providers, Administrative Agents, and interested households;

(b) Monitoring the status of all restricted units in the Borough of Madison's Fair Share Plan;

(c) Compiling, verifying, and submitting annual reports as required by COAH;

(d) Coordinating meetings with affordable housing providers and Administrative Agents, as applicable;

(e) Attending continuing education opportunities on affordability controls, compliance monitoring, and affirmative marketing as offered or approved by COAH;

(f) If applicable, serving as the Administrative Agent for some or all of the restricted units in the Borough of Madison as described in F. below.

(4) Subject to approval by COAH, the Borough of Madison may contract with or authorize a consultant, authority, government or any agency charged by the Governing

Body, which entity shall have the responsibility of administering the affordable housing program of the Borough of Madison. If the Borough of Madison contracts with another entity to administer all or any part of the affordable housing program, including the affordability controls and Affirmative Marketing Plan, the Municipal Housing Liaison shall supervise the contracting Administrative Agent.

(5) Compensation. Compensation shall be fixed by the Governing Body at the time of the appointment of the Municipal Housing Liaison.

(6) Administrative powers and duties assigned to the Municipal Housing Liaison.

(a) Affirmative Marketing

(i) Conducting an outreach process to insure affirmative marketing of affordable housing units in accordance with the Affirmative Marketing Plan of the Borough of Madison and the provisions of N.J.A.C. 5:80-26.15; and

(ii) Providing counseling or contracting to provide counseling services to low and moderate income applicants on subjects such as budgeting, credit issues, mortgage qualification, rental lease requirements, and landlord/tenant law.

(b) Household Certification

(i) Soliciting, scheduling, conducting and following up on interviews with interested households;

(ii) Conducting interviews and obtaining sufficient documentation of gross income and assets upon which to base a determination of income eligibility for a low- or moderate-income unit;

(iii) Providing written notification to each applicant as to the determination of eligibility or non-eligibility;

(iv) Requiring that all certified applicants for restricted units execute a certificate substantially in the form, as applicable, of either the ownership or rental certificates set forth in Appendices J and K of N.J.A.C. 5:80-26.1 et. seq.;

(v) Creating and maintaining a referral list of eligible applicant households living in the housing region and eligible applicant households with members working in the housing region where the units are located; and

(vi) Employing the random selection process as provided in the Affirmative Marketing Plan of the Borough of Madison when referring households for certification to affordable units.

(c) Affordability Controls

(i) Furnishing to attorneys or closing agents forms of deed restrictions and mortgages for recording at the time of conveyance of title of each restricted unit;

(ii) Creating and maintaining a file on each restricted unit for its control period, including the recorded deed with restrictions, recorded mortgage and note, as appropriate;

(iii) Ensuring that the removal of the deed restrictions and cancellation of the mortgage note are effectuated and properly filed with the appropriate county's register of deeds or county clerk's office after the termination of the affordability controls for each restricted unit;

(iv) Communicating with lenders regarding foreclosures; and

(v) Ensuring the issuance of Continuing Certificates of Occupancy or certifications pursuant to N.J.A.C. 5:80-26.10.

(d) Resale and rental

(i) Instituting and maintaining an effective means of communicating information between owners and the Administrative Agent regarding the availability of restricted units for resale or rental; and

(ii) Instituting and maintaining an effective means of communicating information to low- and moderate-income households regarding the availability of restricted units for resale or re-rental.

(e) Processing request from unit owners

(i) Reviewing and approving requests from owners of restricted units who wish to take out home equity loans or refinance during the term of their ownership;

(ii) Reviewing and approving requests to increase sales prices from owners of restricted units who wish to make capital improvements to the units that would affect the selling price, such authorizations to be limited to those improvements resulting in additional bedrooms or bathrooms and the cost of central air conditioning systems; and

(iii) Processing requests and making determinations on requests by owners of restricted units for hardship waivers.

(f) Enforcement

(i) Securing annually lists of all affordable housing units for which tax bills are mailed to absentee owners and notifying all such owners that they must either move back to their unit or sell it;

Securing from all developers and sponsors of restricted units, at the earliest point of contact in the processing of the project or development, written acknowledgement of the requirement that no restricted unit can be offered, or in any other way committed, to any person, other than a household duly certified to the unit by the Administrative Agent;

(iii) The posting annually in all rental properties, including two-family homes, of a notice as to the maximum permitted rent together with the telephone number of the Administrative Agent where complaints of excess rent can be made;

(iv) Sending annual mailings to all owners of affordable dwelling units, reminding them of the notices and requirements outlined in N.J.A.C. 5:80-26.18(d)4;

Establishing a program for diverting unlawful rent payments to the municipality's affordable housing trust fund or other appropriate municipal fund approved by the DCA;

Establishing a rent-to-equity program;

(vii) Creating and publishing a written operating manual, as approved by COAH, setting forth procedures for administering such affordability controls; and

(viii) Providing annual reports to COAH as required.

The Administrative Agent shall have authority to take all actions necessary and appropriate to carry out its responsibilities hereunder.

D. Severability.

If any section, subsection, paragraph, sentence or other part of this Ordinance is adjudged unconstitutional or invalid, such judgment shall not affect or invalidate the remainder of this Ordinance, but shall be confined in its effect to the section, subsection, paragraph, sentence or other part of this Ordinance directly involved in the controversy in which said judgment shall have been rendered and all other provisions of this Ordinance shall remain in full force and effect.

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E. Inconsistent Ordinances Repealed.

All ordinances or parts of ordinances which are inconsistent with the provisions of this ordinance are hereby repealed, but only to the extent of such inconsistencies.

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SECTION 2: This Ordinance shall take effect immediately upon final adoption and publication in the manner prescribed by law.

ADOPTED AND APPROVED

November 13, 2006

ELLWOOD R. KERKESLAGER, Mayor

Attest:

MARILYN SCHAEFER, Borough Clerk

Introduced and passed: October 11, 2006

Published, Madison Eagle: October 19, 2006

Hearing and amended: November 13, 2006

Finally adopted: November 13, 2006

Published, Madison Eagle: November 16, 2006

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ELLWOOD R. KERKESLAGER, Mayor

Attest:

MARILYN SCHAEFER, Borough Clerk

Introduced and passed: October 11, 2006

Referred to Planning Board: October 12, 2006

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