

MOUNTAIN LAKES AFFORDABLE ACCESSORY APARTMENTS PROGRAM

Presented by the Mountain Lakes Affordable
Housing Advisory Committee

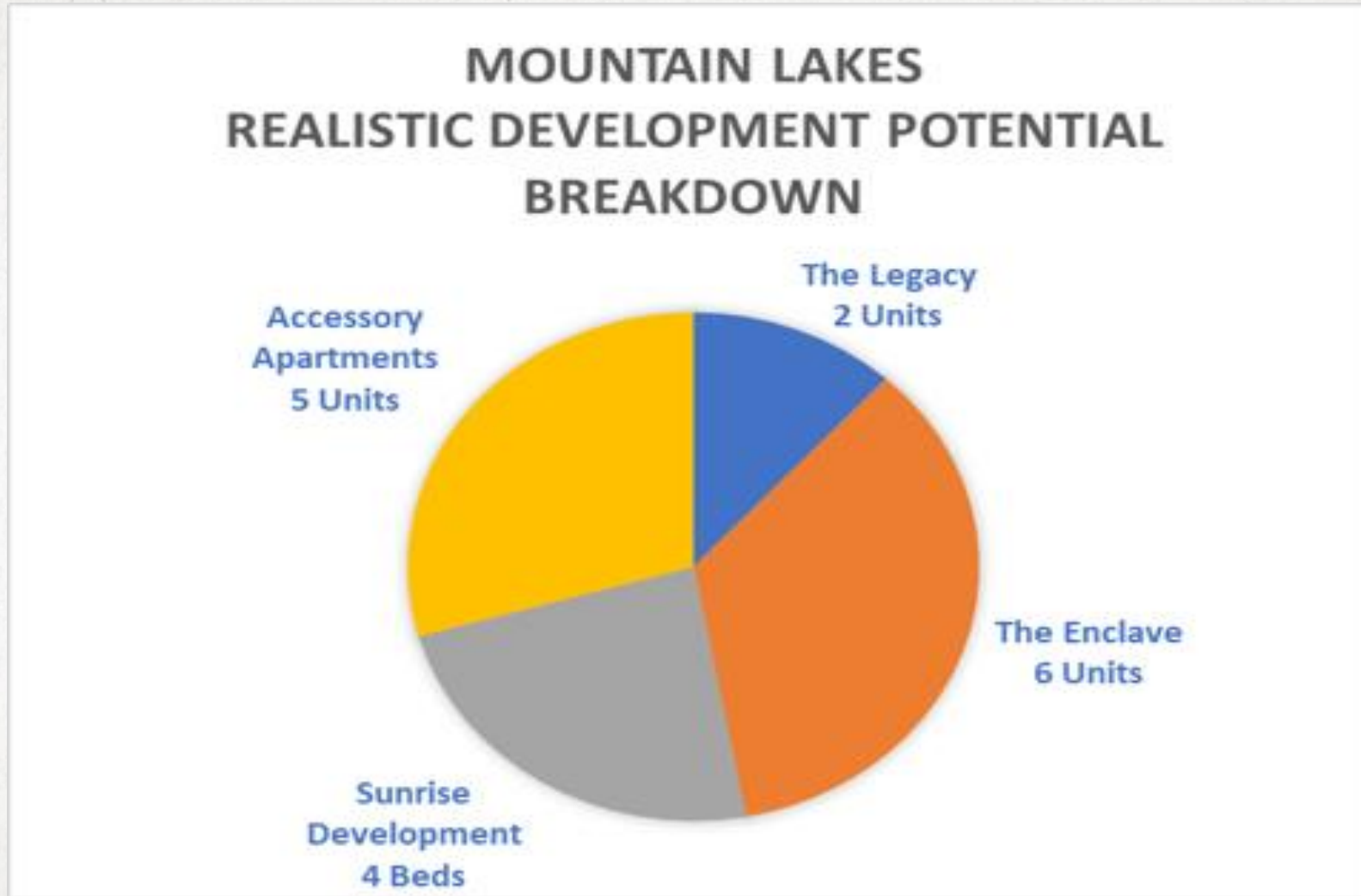
SEPTEMBER 30, 2020

BACKGROUND AND PROGRAM OVERVIEW

- January 2019: The Borough of Mtn. Lakes amends and adopts its Housing Element **of the Master Plan to include the Fair Share Plan**
- The courts determined that Mtn Lakes has a **Realistic Development Potential (RDP) of 17 units**
- As part of the Borough's Fair Share Plan, five accessory apartment units are proposed towards its Third Round Realistic Development Potential

Accessory Apartments are a thoughtful and non-disruptive means for the Borough to meet its affordable housing requirement

MOUNTAIN LAKES AFFORDABLE HOUSING OBLIGATION 1999-2025



REALISTIC DEVELOPMENT POTENTIAL TOTAL: 17 UNITS³

WHO NEEDS AFFORDABLE HOUSING?

Community & Social Service	\$51,160
Education, Training, & Library	\$58,194
Arts, Design, Entertainment, Sports, & Media	\$54,494
Healthcare Support	\$30,108
Protective Service	\$45,223
Food Preparation & Serving Related	\$24,284
Building & Grounds Cleaning & Maintenance	\$29,671
Personal Care & Service	\$27,028
Sales & Related	\$30,566
Office & Administrative Support	\$39,348
Construction & Extraction	\$58,672
Installation, Maintenance, & Repair	\$53,650
Production	\$35,892
Transportation & Material Moving	\$32,416



WHAT IS AN AFFORDABLE ACCESSORY APARTMENT PROGRAM?

- An Accessory Apartment is defined as a **self-contained residential dwelling with a kitchen, sanitary facilities, sleeping quarters, and a private entrance, which is within an existing home or in a separate existing structure.**
- Examples include carriage houses, mother-in-law quarters, a small rental unit within a single-family home, or above-the-garage apartments in either attached or detached garages.

WHAT IS AN AFFORDABLE ACCESSORY APARTMENT PROGRAM?

- **Affordable Accessory Apartment Defined:** Property is deed restricted for 10 years, subject to affordability controls in marketing, rental cost, and tenant income qualifications
- **Benefits to Homeowners:** Provides extra income to assist in mitigating increases in the cost of living
- **Mountain Lakes Plan:** By January 2025, identify and issue CO's for **FIVE** Affordable Accessory Apartments in the Borough

ACCESSORY APARTMENT PROGRAM HIGHLIGHTS

A Policies and Procedures Manual along with an Operating Manual were produced for program implementation. The following are program highlights:

- Borough's initial focus will be **on the conversion*** of existing **Accessory Apartments to deed-restricted affordable apartments**
- Obligation is **4 moderate-income and 1 very low - Income units**
- Each Accessory Apartment will have a **10 - year deed restriction**
- Borough will provide a **one-time subsidy of \$5,000 to offset costs associated with program participation and prepping the apt.**

PROGRAM HIGHLIGHTS

- **The Borough's Administrative Agent*** will administer the process to find tenants for the accessory apartments
- **Tenants must income-qualify for the apartments**, and meet non-discriminatory criteria that the property owner defines (i.e. non-smoker, no pets, 1- vs. 2-person household)
- **If the current tenant income-qualifies for the unit, it will immediately become an affordable unit**
- **If improvements are required** on an existing apartment, homeowners will follow normal permitting, construction, and approval processes for all improvements

PROGRAM HIGHLIGHTS

- **Homeowners with current tenants can join the program, however, if the current tenant does not income-qualify for the unit, the tenant can remain but as soon as the tenant leaves, the homeowner will engage with the Administrative Agent to get a new income-qualified tenant**
- **At the end of the 10-year deed restriction, the property owner can keep the affordable unit in the affordable housing program if the unit rental cost stays within program limits. The owner can also rent out the unit to tenants, without regard to tenant income or limitations on monthly rental fee**

PROGRAM HIGHLIGHTS

Interested homeowners will be provided with an application, and the owner(s) must agree to restrict the apartment to affordable households, follow program guidelines and file a deed restriction on the property for a period of at least ten (10) years

2020 Income Eligibility Table Region 2

Household Size	Maximum Income Based on Household Size		
	Mod	Low	Very Low
1	\$51,700	\$36,929	\$22,157
2	\$59,086	\$42,204	\$25,322
3	\$66,471	\$47,479	\$28,488
4	\$73,857	\$52,755	\$31,653
5	\$76,811	\$54,865	\$32,919



Permitted Rents*

	Bedroom Size			
<u>Income Level</u>	<u>Studio/ Efficiency</u>	<u>1-Bedroom</u>	<u>2-Bedroom</u>	<u>3-Bedroom**</u>
Moderate	\$988 - \$1,108	\$1,030 - \$1,187	\$1,222 - \$1,424	\$1,395 - \$1,646
Low	\$803 - \$923	\$832 - \$989	\$985 - \$1,187	\$1,121 - \$1,372
Very Low	\$434 - \$554	\$436 - \$593	\$510 - \$712	\$572 - \$823

*Can be adjusted annually

**Landlord pays tenants utilities (water/gas/electric) for high end rent range

PROGRAM EDUCATION & OUTREACH PLAN

- **A one-page flyer mailed** to every Borough resident and posted on Borough website, Facebook page and in Virtual Backpack
- **Announces a date for a webinar/info session** with link to Borough website; Acc. Apts Manual and FAQs document; & phone number for answers to questions
- **Education Program** – 1 daytime, 1 evening; Program notices published in Borough eblast, press releases, will be recorded, posted to Borough Home Page and on YouTube
- **Post-Education:** link to recorded session distributed to Realtors in Borough and **property owner applications begin**

TIMELINE FOR PROGRAM IMPLEMENTATION

- **Sept. 30, 2020:** Final Accessory Apartment Policies & Procedures Manual presented to Council for discussion
- **October 12, 2020:** Council approves Accessory Apartment Policies & Procedures Manual
- **October 2020 – January 2021 (and ongoing):** Program Education and Outreach
- **January 2021:** Applications for accessory apartments available

NEXT STEPS FOR BOROUGH COUNCIL

- **Decision to accept Accessory Apartment Policies & Procedures Manual**
- **Assist with public forums on Accessory Apartment Program outreach and education**

THANK YOU – QUESTIONS/ANSWERS

Mtn. Lakes Affordable Housing Advisory Committee

Borough Council Members

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Daniel Happer, Council member

Cynthia Korman, Council member

Professionals

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