

# Borough of Mountain Lakes

## Affordable Accessory Apartments Program

### FAQ

- 1. What is an accessory apartment?**
  - A.** A self-contained residential dwelling with a kitchen, sanitary facilities, sleeping quarters, and a private entrance, which is within an existing home.
  
- 2. What are some examples of an accessory apartment?**
  - A.** 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 **which is within an existing home or in a separate existing structure.**
  
- 3. Who administers the Borough's Accessory Apartment Program?**
  - A.** The Borough's Administrative Agent\*, CGP&H, will administer the process to find tenants for the accessory apartments
  
- 4. Is there a limit on the size of an accessory apartment?**
  - A.** The Accessory Apartment Regulations do not address size limitations. Construction and other codes may contain minimum size and other requirements for habitable space which must be complied with.
  
- 5. What does it mean to have my apartment affordable?**
  - A.** Property is deed restricted for 10 years, subject to affordability controls in marketing, rental cost, and tenant income qualifications.
  
- 6. What if improvements are required on an existing apartment?**
  - A.** Homeowners will follow normal permitting, construction, and approval processes for all improvements.
  
- 7. What happens if I provide an affordable accessory apartment and accept the 10-year deed restriction, but unforeseen circumstances make it necessary for me to sell my house, for example in year 7?**
  - A.** The tenant will have to be allowed to stay in the apartment until the expiration of the deed restriction, if rent is paid, and other terms of the lease are met.
  
- 8. If, in the middle of the 10-year deed-restricted period, I need to move out of the house, can I rent out, at market rates the part of the house that I and my family had been living in, and keep the affordable accessory apartment as it has been?**
  - A.** Yes

**9. What happens at the end of the 10-year deed restriction?**

- A. The property owner can keep the affordable of the Affordable Apartments program if the unit's 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.

**10. Is there a subsidy to offset the cost to participate in the program?**

- A. The Borough will provide a one-time subsidy of \$5,000 to offset costs associated with program participation and prepping the apt.

**11. What is the process for selecting a tenant?**

- A. Our Administrative Agent will conduct an affirmative marketing plan to market and match the unit to income eligible households. All interested households must complete a preliminary application that includes household income and household composition. A random selection process will be conducted for multiple eligible households. Please refer to the Affordable Housing Policies & Procedures Manual for more information on selection.

**12. What happens if the current tenant does not income- qualify for the unit?**

- A. The current 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.

**13. What happens if a tenant lives in my accessory apartment, and that tenant stops paying rent?**

- A. Landlord/tenant law applies to affordable accessory apartments as it would for any rental apartment.

**14. What if a tenant is difficult in a different way? (e.g. leaves trash around the property, is excessively noisy, somehow damages the property).**

- A. Landlord/tenant law applies to affordable accessory apartments as it would for any rental apartment. Within the lease, the property owner can define expectations for treatment of the property. The property owner can also require a security deposit equal to one month's rent, refundable when the tenant moves out and the apartment has been inspected for damage beyond typical wear and tear.

**15. What fees should I expect to pay as the owner of an Affordable Accessory Apartment?**

- A. Fees are listed below. Please refer to the operating manual for further explanation.
  - Credentialing a tenant once the tenant has submitted a deposit to commit to an apartment - \$800 – incurred each time there is a change of tenant
  - Annual lease renewal fee - \$30/yr. payable to CGP&H
  - Cost of smoke detectors and fire extinguishers as required by building code
  - Unit upgrades as needed to comply with building code (e.g. firewall, egress window)

**16. Is there a limit to a 12-month lease or can I offer a long-term lease (e.g. 2 or 3 years) to tenants?**

**A.** The maximum allowable rent is calculated annually so annual leases are recommended. A landlord may, however, forgo the annual increase if they choose to do so and offer a multiyear lease. Month to month leases are also permitted.

**17. Can I restrict my accessory apartment so that it is only available to military veterans who meet the affordable housing income limits and are identified through the affirmative marketing process?**

**A.** At this time Mtn. Lakes does not have a military veteran preference in its ordinance this may change in the future and, if so, would apply to all affordable housing including accessory apartments.

**18. How many affordable accessory apartments is in the Borough's Fair Share Housing Plan?**

**A.** Five (5) units