



PARSIPPANY TROY-HILLS

Accessory Apartment Program

The Accessory Apartment Program is offered by the Township of Parsippany-Troy Hills to incentivize individual homeowners to create affordable housing units. This program is administered by the Township's Administrative Agent, CGP&H. The following provides detail including grant amounts you may qualify for, requirements, and how to participate. Homeowners are encouraged to contact CGP&H to learn more or to apply to the Program.

The township's Accessory Apartment Program allows for eligible property owners in the R-1 Residential Zone to receive a subsidy of **\$40,000-\$55,000** for each Accessory Apartment created and made available to low and moderate-income households.

Application Process

- Interested homeowners or landlords will be required to fill out an application for their existing property which will include basic information about location, current status of mortgage/property taxes, proposed Accessory Apartment type (i.e. 2-bedroom unit in an accessory building)
- After the application is received, CGP&H will provide the applicant with maximum allowed initial rents for the affordable unit(s) and a sample deed restriction to determine their cost/benefit of proceeding. If after reviewing the information the homeowner wishes to proceed, Parsippany will send the applicant a funding agreement to sign that will outline the program requirements to receive the award.
- After the landlord has developed the unit, all relevant inspections have been passed, the parties have entered into a deed restriction ensuring that the unit involved remains affordable over at least the next 30 years, and the unit is occupied by an income-eligible household, the property owner will then receive \$40,000 in one lump-sum payment for the unit for a moderate income unit or \$55,000 for a low-income unit.

Post Award Process

- After the application of the deed restriction, the homeowner still retains full ownership and oversight of the Accessory Apartment and will still be able to conduct his/her standard credit and background checks using the same procedures for the deed restricted unit as they would apply to any market rate applicants.
- The wait list for the affordable unit will be maintained by CGP&H and pre-qualified applicants will be sent to the homeowner soon after any notification of an impending vacancy to allow the occupancy process start at the first possible opportunity.
- CGP&H will send the applicant's contact information to the homeowner or rental agent to be allow for the same processes and criteria for other units if applicable
- While CGP&H provides the wait-listed and income qualifies applicants, the final decision to rent a unit is **always** made by the Homeowner/Landlord.
- **All administrative fees will be paid by the Township.**

Income Limits & Rent Levels

The following table illustrates the 2022 income limits for households (HH) by household size. Households may earn up to the dollar amount shown.

- For example, a three-person HH earning \$82,938 or less is considered moderate income, while a three-person household earning \$82,939 is considered ineligible.
- In addition, CGP&H ensures that applicant's initial income is sufficient to pay the asking rent, as a percentage of their income (typically no more than 30%). The rent never has to be reduced to accommodate an applicant's income.
- The initial rent for an affordable unit, including all utilities, is generally calculated to be affordable to households earning 60% of median income for a moderate-income unit.

| Maximum Gross Income by Family Size | | |
|-------------------------------------|-----------|----------|
| Size | Moderate | Low |
| 1 | \$64,507 | \$40,317 |
| 2 | \$73,723 | \$46,077 |
| 3 | \$82,938 | \$51,836 |
| 4 | \$92,154 | \$57,596 |
| 5 | \$99,526 | \$62,204 |
| 6 | \$106,898 | \$66,811 |
| 7 | \$114,270 | \$71,419 |
| 8 | \$121,643 | \$76,027 |

The table below illustrates the range of rents that may be allowed under this program:

- The exact rent a landlord will be able to charge for their unit is conditional based on the utilities charged to the tenant separate of rent.
- Your unit may be higher or lower than the range shown in the table. **As such the table below is for illustrative purposes only.**

| Unit Type | Monthly Rent Low Income Unit | Monthly Rent Moderate Income Unit |
|-----------|------------------------------|-----------------------------------|
| 1 Bedroom | \$971 | \$1,187 |
| 2 Bedroom | \$1,150 | \$1,409 |
| 3 Bedroom | \$1,314 | \$1,614 |

(rental limits updated annually)

Homeowners or Landlords interested in learning more about participating in the program are encouraged to call or email CGP&H at:

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609-642-4857

