

Borough of Woodcliff Lake

AFFORDABILITY ASSISTANCE:
ENERGY EFFICIENCY GRANT PROGRAM

OPERATING MANUAL

March 6, 2026

WOODCLIFF LAKE BOROUGH AFFORDABILITY ASSISTANCE: ENERGY EFFICIENCY GRANT PROGRAM

I. PREFACE

N.J.A.C. 5:97 – 8.8 (a) states that “....at least 30 percent of all development fees collected and interest earned shall be used to provide affordability assistance to low- and moderate-income households in Affordable Units included in the municipality’s Fair Share Plan. One-third of the affordability assistance portion shall be used to provide affordability assistance to very low-income households. Affordability assistance programs may include down payment assistance, security deposit assistance, low interest loans, rental assistance, assistance with homeowners’ association or condominium fees and special assessments, and assistance with emergency repairs.”

It is also important to note that the spending of trust fund money by Woodcliff Lake Borough (the “Borough”), to comply with the required affordability assistance, on units described in the Fair Share Plan does not create Fair Housing credits for the Borough. It is noted that there is no formally documented statement that units receiving energy assistance must have a deed restriction or lien, competitive bidding, minimum dollar amount, affirmative marketing or a major system repaired.

The Borough is entering into an agreement with its Administrative Agent, Piazza & Associates, Inc. (“P&A”) to help implement an Energy Efficiency Grant Program (“EEG Program”) and funding that program with funds from the Affordable Housing Trust Fund as set forth in the adopted Affordable Housing Trust Fund Spending Plan. To that end, P&A has prepared this manual to address the use of affordability assistance funds for energy assistance.

II. INTRODUCTION

This Energy Efficiency Grant Program Operating Manual has been prepared to assist in the administration of the Woodcliff Lake Borough Energy Efficiency Grant Program. It will serve as a guide to the program staff and applicants.

This manual describes the basic content and operation of the program, examines program purposes and provides the guidelines for implementing the program. It has been prepared with a flexible format allowing for periodic updates of its sections, when required, due to revisions in regulations and/or procedures.

This manual explains the steps in the Energy Efficiency process. It describes the eligibility requirements for participation in the program, program criteria, funding terms and conditions, contract payments and overall program administration.

P&A will be engaged to provide support services necessary to administer the program on behalf of the Borough.

The program funds will be distributed as a grant, and will not be repayable if the equipment is delivered, installed, inspected and approved.

The following represents the procedures developed to offer an applicant the opportunity to apply for the program.

III. PROGRAM DESCRIPTION

The Spending Plan for the Borough of Woodcliff Lake sets forth three (3) distinct uses of funds that target the reduction of energy costs for owners of deed restricted affordable housing units (“Affordable Units”), by subsidizing equipment that is more energy efficient than the existing equipment: Water Heater Replacement; Furnace Replacement; and Air Conditioner Replacement.

A. Water Heater Replacement. Woodcliff Lake will allocate up to \$20,000 to replace water heaters in, Affordable Units, that are more than 10 years old. New water heaters are more energy efficient and will reduce the affordable households’ utility expenses. Owners of very-low, low and moderate income units applying for this type of assistance will be required to submit three (3) written estimates with detailed information about all costs. All permit fees will need to be included. All new water heaters will need to be installed by licensed and insured entities that will ensure that the new water heater will meet all code and safety standards. Assistance will be provided on a first-come, first-served basis to existing eligible affordable households. The Borough will provide a maximum amount of \$1,200 per unit in assistance. Additionally, all owners of 100% affordable developments (e.g. group homes) are also eligible for the program. Assistance will only be provided one-time to the certified applicant household and the Affordable Unit.

B. Furnace and Air Conditioning Replacement. Woodcliff Lake will set allocate up to \$120,000 to replace furnaces and/or air conditioners in existing affordable units and group homes that are more than 10 years old. New furnaces and/or air conditioners are more energy efficient and will reduce the affordable households’ utility expenses. Owners of very-low income units/group homes applying for this type of assistance will be required to submit three (3) written estimates with detailed information about all costs. All permit fees will need to be included. Owner and installer will need to abide by all Borough and State Regulations. All furnaces and/or air conditioners will need to be installed by licensed and insured entities that will ensure that the new system will meet all code and safety standards. Assistance will be provided on a first-come, first-served basis to existing eligible affordable

households. The Borough will provide a maximum amount of \$10,000 per unit/group home in assistance.

IV. EEG PROGRAM REQUIREMENTS

Participation in this program requires:

- a. The residential unit must be qualified as an Affordable Unit and restricted, as such, by a deed restriction in a form approved by the Borough, or, in the case of a 100% affordable group home, by virtue of a valid state group home license.
- b. Except in the case of group homes, the Owners must be in compliance with the residency requirements of the affordable housing program of the Borough, i.e., the affordable unit is the primary residence of the unit owner as required in N.J.A.C. 5:80-26.19.
- c. The equipment to be replaced must be at least 10 years old.
- d. New Equipment Requirements:
 - i. Hot water heaters must be Energy Star certified or similar.
 - ii. In the case of furnaces and/or air conditioners, an A.F.U.E. rating of at least 95-percent-efficiency with a condensing unit rated at least 15 SEER and R410A refrigerant or better is required.
 - iii. In the event that the structure or architectural design of the Affordable Unit is such that it would be impractical to install the specified equipment, the most energy efficient equipment that is practicable shall qualify under this program.
 - iv. For homes with heat pumps, a rating of at least 14 SEER, with R410 or better refrigerant shall be required.
- e. For all programs set forth, herein only those contractors who are licensed by the State of New Jersey may be utilized.
- f. Contractors must take out and maintain a comprehensive general liability insurance policy insuring the Owner, the Borough and Piazza as additional insureds and loss payees against claims of bodily injury, including death, and property damage occurring during the course of the Work in amounts of \$1,000,000 for each claim with respect to bodily injury or death and for property damage relating to any one occurrence. Contractor agrees to take out and maintain workers' compensation insurance and employer's liability insurance, each in the amount of \$500,000 per occurrence. All contractors must provide evidence of insurance.
- g. The property owner will obtain three (3) proposals from qualified contractors and can select the Contractor, but the Borough will pay the lesser of \$1,200 or the price of the lowest proposal toward the cost of the Water Heater; and the lesser of \$10,000 or the price of the lowest proposal toward the cost of the furnace and/or air conditioner. (The amount that the Borough contributes will be referred to as "the

Borough's Share"), and the Owner shall be responsible for paying any remainder (hereinafter, "the Owner's Share"). The maximum combined grant available for water heaters, furnaces and/or and air conditioners to any one affordable home will be \$11,200.

- h. In the event that the Borough's Share is not sufficient to pay for the entire replacement project, then the Owner shall be responsible to pay the balance of the cost. (This shall be referred to as the "Owner's Share.") The Owner's Share shall be paid in full before the Borough makes payment to the Contractor. The Borough will not make final payments to the Contractor until after the Construction Code Official conducts a final inspection and approves the Work.
- i. The Owner shall fully cooperate with the Borough and P&A, which administers portions of this program on behalf of the Borough.
- j. The Owner must enter into an agreement with the Borough in which he or she agrees to the terms and conditions outlined, above, and:
 - i. Releases the Borough and P&A from any claims and agrees to indemnify, defend, and hold the Borough and P&A harmless against any and all claims for liability.
 - ii. Agrees to fully cooperate with the Contractor, Borough, and P&A, including making timely arrangement for all inspections.
 - iii. Acknowledges that the Contractor is solely responsible for the installation and that the Borough and P&A have no responsibility with respect to the equipment or its installation and are not guarantors of the Work and agrees that communications with respect thereto shall be directed to the Contractor and not to the Borough or P&A.
- k. The Owner will be required to use a form of contract between the Owner and Contractor that will be provided by the Borough and shall contain requirements set forth by the Borough to protect its interest.
- l. For all programs set forth, herein, a construction permit application must be submitted to the Borough by the Contractor and approved by the Borough prior to the start of work.

V. EQUIPMENT RESTRICTIONS

The minimum age of the current equipment to be eligible for replacement is 10 years. If Owners are unsure as to the age of their equipment, they are advised to contact the Woodcliff Lake Borough Building Department to determine if their appliance meets the age requirements set forth in the program.

VI. THE PROCESS

- a. An introductory letter and application are mailed to the Owners of Affordable Units in the Borough.
- b. If interested, the Owners may apply for the program, using the application form and submit the form, together with the required documentation to the P&A for review.
- c. P&A makes a determination of eligibility based on the standards set forth above.
- d. P&A notifies the status of the review as follows:
 - i. Incomplete: The Owner shall have 5 days to complete and return the application.
 - ii. Not approved: The Owner may not participate in the program but may be able to apply at a later date.
 - iii. Complete and Certified: P&A provides the Owner with an agreement between the Owner and Borough for the Owner's review and execution.
- e. The Owner signs and returns the agreement between the Owner and the Borough for execution by an approved representative of the Borough.
- f. P&A provides the Owner with a kit that includes:
 - i. A Request for Proposal that the Owner may use to obtain bids from contractors.
 - ii. Bid Comparison Sheet
 - iii. The specification of the minimum standards of the equipment required; and
 - iv. A form of Agreement between the Owner / Landlord and the Contractor.
- g. The Owner selects a Contractor and enters into an agreement pursuant to f(iv) above.
- h. The Owner submits same to Borough for approval.
- i. Borough returns the fully executed Contract with the Owner.
- j. The Owner pays the Contractor the Owner's share (if any is required).
- k. The Contractor applies to the Borough for the appropriate permit(s).
- l. The Borough verifies that the payment from the Owner has been received by the Contractor (if required).
- m. The Borough approves the permit, based on the applicable code(s). The Contractor completes the work.
- n. The Contractor and the Owner are responsible for having the appropriate inspection(s) completed within 14 days after completion. In the event that the Owner does not facilitate the final inspection, then the Owner shall be deemed in violation of construction code or codes and subject to applicable fines.

- o. Contingent upon the final approval of the Borough, the Borough pays the Contractor the balance due, not to exceed the limits set forth above.