



Legislation Details (With Text)

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Title: ORDINANCE AMENDING TITLE 19, CHAPTER 1, RENT CONTROL IN SUBSTANDARD MULTIPLE DWELLINGS; AND TITLE 19, CHAPTER 2, RENT CONTROL REGULATIONS, RENT CONTROL BOARD, OF THE REVISED GENERAL ORDINANCES OF THE CITY OF NEWARK, NEW JERSEY, 2000, AS AMENDED AND SUPPLEMENTED, BY INCLUDING PROVISIONS RELATING TO MAJOR NEW IMPROVEMENTS AND OTHER AMENDMENTS.
Deferred 8-b (s) 052616
Deferred 9-a 061516
Sponsors: Anibal Ramos, Jr.

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
7/7/2016	1	Municipal Council	Tabled	Pass
6/15/2016	1	Municipal Council	Defer on pending	Pass
5/26/2016	1	Municipal Council	Defer on Communications	Pass

ORDINANCE AMENDING TITLE 19, CHAPTER 1, RENT CONTROL IN SUBSTANDARD MULTIPLE DWELLINGS; AND TITLE 19, CHAPTER 2, RENT CONTROL REGULATIONS, RENT CONTROL BOARD, OF THE REVISED GENERAL ORDINANCES OF THE CITY OF NEWARK, NEW JERSEY, 2000, AS AMENDED AND SUPPLEMENTED, BY INCLUDING PROVISIONS RELATING TO MAJOR NEW IMPROVEMENTS AND OTHER AMENDMENTS.

Deferred 8-b (s) 052616

Deferred 9-a 061516

NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

SECTION 1: Title 19, Chapter 1, Rent Control in Substandard Multiple Dwellings, of the Revised General Ordinances of the City of Newark, New Jersey, 2000, as amended and supplemented, is amended as follows:

[Editor's note: Additions are shown as underlined and bold. Deletions are strikethroughs.]

CHAPTER 1 RENT CONTROL IN SUBSTANDARD MULTIPLE DWELLINGS.

19:1-9. PROCEDURE TO IMPOSE RENT CONTROL.

19:1-14. PENALTY.

Any person violating any of the provisions of this Chapter shall, upon conviction, be punished by a fine not exceeding five hundred (\$500.00) dollars for a first offense, **a fine not to exceed two thousand (\$2,000.00) dollars for a second and any subsequent offense.** or by imprisonment in the County jail for a term not exceeding ninety (90) days, or be punished by both such fine or imprisonment.

SECTION 2. Title 19, Chapter 2, Rent Control Regulations; Rent Control Board, of the Revised General Ordinances of the City of Newark, New Jersey, 2000, are hereby amended and supplemented as follows:

[Editor's Note: Additions are shown as underlined and bold. Deletions are strikethroughs.]
CHAPTER 2 RENT CONTROL REGULATIONS; RENT CONTROL BOARD

19:2-2. DEFINITIONS.

As used in this Chapter:

Major new improvement shall mean a physical addition or change to the dwelling, which provides all tenants in the dwelling with something not previously provided that improves the quality of life in the dwelling. A replacement of an existing physical element, such as a roof, is not a Major New Improvement, whether that element was necessary for habitability or provided an amenity not required for habitability. Such a replacement is considered a maintenance expense. A physical addition or change, which does provide something new that benefits the tenants, but is required by law to meet minimum standards of health, safety, security or habitability, is also not a Major New Improvement. A Major New Improvement must be something new that benefits the tenants, and is not required by law. A Major New Improvement for the purpose of this ordinance is not in any way related to the term 'Capital Improvement' or 'Capital Expenditure' as used in IRS regulations, even if the IRS would categorize such improvements in these ways. **according to IRS guidelines as defined as a "Capital Improvement" or a "Capital Expenditure."** However, repairs or replacements of the roof and/or essential mechanicals (i.e. elevator boilers, electric water, heat, compactor) shall not qualify as a major new improvement, unless it provides a major upgrade in service. In such an event, an owner may appeal to the Rent Control Board for an exception to the rule. Such an exception shall be made upon a finding by the Rent Control Board that the improvement is of such a magnitude that it provides something new to the property (i.e. a new lobby or expanded fitness facility).

Substantial compliance shall mean that the dwelling is in compliance with all applicable Federal, State, and Newark health, safety, building, and property maintenance codes, statutes, regulations and ordinances, including, but not limited to the Regulations for Construction and Maintenance of Hotels and Multiple Dwellings promulgated by the State Department of Community Affairs (N.J.A.C.

~~5:10-1 et seq.~~ Substantial compliance means that the dwelling and each housing space are free from all heat, hot water, water, air conditioning, elevator, and all health, safety and fire violations. as well as ninety percent (90%) qualitatively free of all other violations. If a rent increase or surcharge is challenged by a tenant on the basis of lack of substantial compliance, the burden is on the landlord to prove that the building is in substantial compliance. Substantial Compliance also includes full compliance with the Landlord Identity Disclosure Act (*N.J.S.A. 46:8-27 et seq.*). Nothing in this section impairs the right of a tenant to seek and receive an appropriate rent reduction for diminishment of services.

19:2-3. RENT INCREASES.

19:2-3.3 Parking Fees.

The landlord shall report and register all on-site parking fees with the Rent Control **Board**. Parking fees should be specifically included as being covered under all provisions of the rent control ordinance may only be raised two dollars (\$2.00) per calendar year.

19:2-4. RENT REBATE.

The landlord shall rebate to the tenant any amount of rent collected in excess of that permissible pursuant to the terms of this Chapter by crediting the tenant with the amount of excess rent paid over a period not to exceed fourteen (14) months. or in the event the tenant is no longer in occupancy, by refunding within a one (1) month period. The statute of limitations for claims under this Section shall be two (2) years from the date of the filing of the petition for rent rebate under this Section.

19:2-5. TAX SURCHARGE.

19:2-5.4. Appeals.

Any party dissatisfied with the ruling of the Rent Control Board on a Tax Surcharge Application may appeal the matter to a court of competent jurisdiction. ~~the Municipal Council.~~

19:2-7. MAJOR NEW IMPROVEMENTS; ADDITIONAL RENT.

19:2-7.4. Appeals.

Either landlord or tenant may appeal the findings or order of the Rent Control Board regarding a major new improvement application to the Municipal Council by filing a notice of appeal with the City Clerk. The appeal shall be based upon the record of the Rent Control Board below, and no additional testimony shall be taken to a court of competent jurisdiction.

19:2-12. RENT DECREASES.

19:2-12.1 Cause for Reduction.

During the term of this Chapter a rent decrease may be granted by the Board for any decrease in housing space, services, furniture, furnishings or equipment. A tenant or group of tenants may petition the Rent Control Board for a rent reduction, through the Rent Control Board. A tenant's petition shall be stayed if the landlord has already commenced eviction proceedings due to failure to pay rent or abide by the rules and regulations of the lease agreement.

19:2-12.2 Percentage of Reduction Allowed.

A decrease in services, such as to justify a rent decrease under this Section, shall include any cessation or inadequate provision of the vital services listed herein as determined by the Rent Leveling Board, due to deterioration or improper maintenance of the services the neglect by the landlord, where it is the responsibility of the landlord to provide the services. For the following decreases in services, a petitioner or petitioners rents shall be decreased pro rata, in accordance with the following percentages of the total rent or rents collected during the period of the decrease in services:

- | | |
|--|-------------------|
| a. No heat | <u>up to 45%</u> |
| b. No water | <u>up to 30%</u> |
| c. No hot water (When provision of hot water is the responsibility of the landlord) | 10-25% |
| d. Roof leaks (Such as to make the apartment, or dwelling unit uninhabitable) | 25-75% |
| e. Nonfunctioning stoves or refrigerators (where supplied by landlord) | 10% |
| f. Faulty electrical fixtures (Such as to constitute a dangerous condition, or threat to the health and safety of the tenants) | 10-50% |
| g. Faulty plumbing (Defined as inoperable "fixtures" i.e., tub, sink, toilet, kitchen sink) (15% per fixture, but not to exceed a maximum of 75% of the total rent of all petitioners) | 15% |
| h. Inoperable elevator (Shall only apply in buildings over four stories, | <u>100% up to</u> |

50%

when inoperability is due to the neglect of the landlord, ~~reduction shall only be applied to tenants of the building living on the fifth floor or above.)~~

19:2-12.3 Minimum Percentage of Decrease.

No petition for a rent decrease, due to a decrease in services, shall be considered under this Section, unless the potential decrease in rent for each petitioner, or each tenant in a group petition, shall be greater than forty-four (44%) percent of their rent for the period of the decrease in services, as determined by the ~~administrative branch of the~~ Rent Control Board.

19:2-15. APPEAL JUDICIAL REVIEW.

A landlord or tenant aggrieved by any action, regulation or determination of the Board may appeal in a court of appropriate jurisdiction; ~~or following the appeal to Municipal Council regarding a Major New Improvement or a Tax Surcharge application. Either landlord or tenant may appeal the findings or order of the Rent Control Board regarding a Major New Improvement application to the Municipal Council by filing a notice of appeal with the City Clerk. The appeal shall be based upon the record of the Rent Control Board below, and no additional testimony shall be taken.~~

19:2-17. UTILITIES SURCHARGE.

19:2-17.4 Appeal by Landlord.

If the requested increase is denied by the Administrator, the landlord may lodge an appeal with the Rent Control Board. **Any further appeal shall be made to a court of competent jurisdiction.**

19:2-18. NEW CONSTRUCTION, VACANT PROPERTIES, SUBSTANTIAL REHABILITATION AND SUBSTANTIALLY REHABILITATED VACANT UNITS.

19:2-18.4 Substantially Rehabilitated Vacant Apartment Units.

a. *Maximum Rent Increase.* **Any landlord that rehabilitates a vacant apartment unit by spending a total amount of the previous seven (7) months' rent collected prior to submittal of the application may increase the rent by a maximum of 20%. Any landlord may choose to spend a total amount of the previous four (4) months of rent collected may increase the rent by a maximum of 10%.** Apartment units which become vacant and in which the landlord spends a

total amount of money equal to or in excess of five thousand (\$5,000.00) dollars multiplied by the number of rooms in the apartment for the purpose of rehabilitating the apartment unit may have their rent increased up to a maximum of twenty (20%) percent of the prior actual rent charged for each apartment.

b. *Application for Increase.* The application for an increase shall be supported by an affidavit describing the amount expended on each room of the apartment and stating that such expenses are reasonable, necessary and complete for the purpose of rehabilitating the apartment unit. Expenses described in this application shall not be used to support any other application before the Board.

c. *Notice of Application Posted.* A notice of any application for a rent increase under this Section shall be posted in a conspicuous place in the apartment building by the landlord on the date of the application.

d. *Objections Heard.* The determination to grant such increase shall be made by the Administrator, unless an objection is filed by the prior tenant. If an objection is duly filed by the prior tenant, the application shall be set down for a hearing before the Board.

e. *Calculation of Credit.* In calculating the total amount spent on rehabilitation, credit ~~may~~ **shall** be given to the landlord for labor **and material** provided by him/her. The amounts credited for labor may equal up to one hundred (100%) percent of the actual cost of materials for painting and plastering, and up to fifty (50%) percent of the cost of materials and equipment for all other types of rehabilitation work.

f. *Inspection; Abatement of Violations.* An inspection by the Division of Inspections and Enforcement in the Department of Neighborhood and Recreational Services of the City of Newark shall be completed prior to granting an application. Any code violations found to exist, including the absence and/or inadequacy of required smoke and fire alarm devices, shall be abated prior to granting the application. **Upon the completion of the rehabilitation, the landlord may certify that the work has been completed and begin to charge the increased rent. An inspection by the Division of Inspections and Enforcement in the Department of Neighborhood and Recreational Services or any other successor Department/Division of the City of Newark shall be completed within forty-five (45) business days of the landlord completing the rehabilitation. In the event the inspection finds that the apartment unit is not in substantial compliance, the landlord must remedy same within thirty (30) days or credit the tenant the increased rent already charged. The landlord shall be charged a fee of \$100.00 per unit per inspection date. In the event the City does not inspect the unit within forty-five (45) business days, said unit shall be deemed free of all violations.**

g. *Number of Increases Limited.* The landlord may be granted only one (1) increase under this Section for the same apartment unit in any twelve (12) month period.

h. *Unlawful Entry; Penalty.* Any landlord, who shall gain access to an apartment by forcibly evicting a tenant contrary to the provisions of *N.J.S.A. 2A:18-61.1 et seq.* for the purpose of vacating and rehabilitating the apartment shall be guilty of an unlawful entry and detainer, as defined in *N.J.S.A. 2A:39-2*, and may be subject to treble damages pursuant to *N.J.S.A. 2A:39-8*.

19:2-19. VIOLATIONS.

a. Violation of any provisions of this Chapter or misrepresentation of facts before a hearing of the

Rent Control Board, shall be punished, upon conviction by a fine of not more than five hundred (\$500.00) dollars **for a first offense, and two-thousand (\$2,000.00) dollars for a second and any subsequent offense** or imprisonment for not more than ninety (90) days or both. A violation affecting more than one (1) housing space shall be considered a separate violation as to each housing space.

b. Alternatively, upon conviction, the Municipal Court may impose a monetary penalty not to exceed five hundred (\$500.00) dollars for a violation of any provision of this Chapter after a notice and an opportunity to be heard are provided to the parties before the Board.

19:2-23. APPLICATION AND INSPECTION FEES.

The following fees shall be charged for rent control applications and inspections, which shall be payable by the applicant upon presentation of the application:

- a. Major New Improvement Applications
(19:2-7)..... \$25.00
- b. Hardship applications
(19:2-8)..... ~~\$5.00~~ **10.00**(Per Apartment)
Maximum..... ~~\$1,000.00~~ **3,000.00**
- c. Late registration fee for any building not registered at least ninety (90) days prior to any application for increase (fee to be waived, if building was registered within ninety (90) days after landlord accepted title to premises)..... \$100.00
- d. Inspections..... ~~\$5.00~~ **10.00** (Per Room)
Maximum..... ~~\$100.00~~ **300.00**
- e. Rent rebate applications (19:2-4); prevailing party to be reimbursed for fee by unsuccessful party..... \$15.00
- f. Rent decrease for decrease in services (19:2-12); prevailing party to be reimbursed for fee by unsuccessful party..... \$15.00
- g. New construction, vacant properties, substantial rehabilitation, and substantially rehabilitated vacant units (19:2-18) applications..... \$25.00
- h. Tax or utilities surcharge applications (19:2-5, 19:2-17)..... \$15.00

SECTION 3: If any provision of this ordinance or application thereof to any person(s) or circumstance is judged invalid by a court of competent jurisdiction, the invalidity shall not affect other provisions or applications of the ordinance that can be given effect without the invalidated provision or application, and to this end the provisions of this ordinance are declared severable.

SECTION 4: The ordinance shall take effect upon final passage in accordance with the laws of the State of New Jersey.

STATEMENT:

This ordinance hereby amends and supplements Title 19, Chapter 1, Substandard Multiple Dwellings; and Title 19, Chapter 2, Rent Control Regulations; Rent Control Board to include provisions relating to Major New Improvements and other amendments.