

City of Perth Amboy – Rent Leveling Board Meeting
Monday, November 1, 2021, via zoom
Minutes: Meeting called to order @ 7:00 p.m.

Welcome: Chairperson S. Hubberman read open public meeting act.

Pledge of Allegiance

Roll Call: Chris Rosario, Michelle Moreland, Chairperson Sharon Hubberman, Kevin Kowitski, and, Vincent Mackiel

William Opel, Esq. and Dianne Roman (recording secretary to the RLB and City representative)

Absent: Gisella Ramos

Approval of Minutes: 9/13/21 & 10/4/21

Vincent Mackiel

Motion

Chris Rosario

2nd the Motion

Topics of Discussion:

Presentation by Landlord-Tenant Legal Specialists

- * Landlord and Tenant Case Information Statements.
- * Settlement Conferences and Trials.
- * Landlord/tenant complaint, summons/ Landlord Case Information Statement, and warrants of removal.

Tresaya Gaines, supervisor of the Landlord Legal Specialists in Middlesex County Superior Court. Ms. Gaines' presentation will cover the process of the landlord tenant court procedures for both parties and warrants of removal.

John Burger and Brandie Tartza, Landlord-Tenant Legal Specialists, are currently working on the backlogged cases in the Landlord Tenant Court. At present, there are an estimated 5,000 cases pending review that were originally scheduled before the start of the covid-19 pandemic. Mr. Burger's presentation will cover case management conferences, (DCA) Department of Community Affairs certification, and the importance of the landlord and tenant case information statements. Ms. Tartza reviewed settlement conferences and trials.

Mr Mackiel asks a question at the conclusion of Mr. Burgers presentation. He asks, “ On the local level we have a tenant complaint form. Why on your form [Landlord-Tenant Court Specialists] it's a tenant case information form, for the landlord. Why don't you have a form available to tenants so that they can make complaints against their landlord? Why is it labeled ‘tenant case information’?”

Ms. Gaines clarifies that the forms shown during the presentation pertain to landlord tenant cases, and that in this court process it is for cases in which landlords are evicting a tenant for non-payment of rent or another issue. She further states that the process for tenants to file complaints is through a separate procedure done through civil court. Landlord-tenant court is only for when landlords are filing against tenants for evictions.

Chairperson Hubberman thanks the presenters for their time and providing useful information to the rent leveling board.

Chairperson Hubberman opens the floor for questions from the rent leveling board at the conclusion of Ms. Tartza's presentation.

Mr. Mackiel asks, "How many people have gone through case settlement conferences, both in Middlesex county and in Perth Amboy?"

Ms. Gaines explains that this information is not available at the moment. She will send an email to Mrs. Roman with this information.

Mrs. Roman asks, "Are there time-frame constrictions on actual settlement cases?"

Ms. Gaines answers, "Regarding the time frames we are about three weeks out in scheduling cases. That is about 3 weeks when we send the notice for the case management conference. During that time they are welcome to contact us. We have had times where tenants contact us asking for time because they want to get an attorney. They can adjourn their case, they just need to put it in writing explaining why -- these requests are usually granted. Once the case management conference occurs, about a week after that the settlement trial occurs."

Mrs. Roman thanks Ms. Gaines for providing this information. "Currently, the cases that are being heard are from what period?"

Ms. Gaines explains that the court is hearing cases that were originally scheduled for April of 2020 and moving forward from there

Mrs. Roman asks, "I have an additional question in regards to the form included in Ms. Tartza's presentation. If there is a tenant that has sought support from a rental assistance program but has not yet received this assistance, as they are entering the vetting process of application which is one of the requirements, does it have to wait for an approval? Do they need to first secure the letter of approval from the county board of social services or from the Puerto Rican association?"

Mr. Burger answers, clarifying the DCA certification process that only requires tenants to apply for the rental assistance programs regardless of whether they have been approved for this assistance.

Ms. Tartza shares that all forms included in the presentation can be found for free on the NJ courts website.

Chairperson Hubberman asks, “What happens if a landlord does not have a registration statement? Seeing that to file a lawsuit the registration statement is needed in conjunction with the lease.”

Mr. Burger explains that a judgement for possession cannot be entered if the landlord does not have the registration statement. He emphasizes the importance of following the procedures outlined in their presentations.

Topic of Discussion: Presentation by Melissa Bellamy from Middlesex County Department of Community Services, Emergency Rental Assistance Program

Ms. Bellamy explains that Middlesex county was provided two rounds of funding from the federal government, the same funding source provided to the state via the department of community affairs, for emergency rental assistance programs. Middlesex county residents can apply through either the state or the federal program. The program has provided 5 million in funding to 500 households. The program goals are to prevent eviction and provide the rent that is due to the landlords. She states that the program prioritizes individuals who are of higher need, such as those only making 50% of the area median income. Ms. Bellamy has provided a flyer outlining the program eligibility requirements.

For Perth Amboy residents, documented status is not required to apply and receive this assistance. Additionally, the social security field on the form is non-mandatory. Inability to produce paystubs can be replaced with a self certification of earned income. There are four types of applications available for those interested in applying; one for tenants to complete, landlords can apply directly, one main application for a landlord with multiple tenants. Tenant and landlord applications are reviewed together to compare information.

Landlords that accept the funds from this application do so on the contingency that they will not evict the tenant(s) for sixty days.

Mr. Mackiel asks, “What can be done to provide necessary resources -- is there new monies for legal assistance or monies that can be provided to local communities for temporary housing?”

Ms. Bellamy explains that the department has been working to clear as much of the arrears as possible. With rental assistance, the tenant’s owed amount is diminished significantly and they are given ‘rent credit’ to provide further assistance while the tenant secures a source of income to

pay their rent. She states that the county has received \$24.6 million, 90% of this has to be spent on direct services, and \$5 million to be applied directly to rent and utility. ¼ of these funds has been used so far for assistance.

Chairperson Hubberman extends her and the RLB's thanks to the Middlesex County Department of Community Services and the Middlesex County civil division for their presentations. She also thanks board secretary Dianne Roman, head of the office of housing and social services, for contacting the presenters.

Motion to open old business.

Vincent Mackiel Kevin Kowitski
Motion 2nd the Motion

Topic of Discussion: Rental Increase Cap

Chairperson Hubberman adds onto the conversation held during the last rent leveling board meeting. In this she reviews the consumer price index (CPI) as it relates to urban towns and in the context of the Northeastern region.

The Chairperson makes note of the following, "Over the period of the last 36 years since the Perth Amboy ordinance was put in place, the average over these 36 years according to the CPI should have been 3.55%. Yet, Perth Amboy has constantly year to year had a 5% cap limitation on rent control per unit." She goes on to explain that the existence of the RLB over the years has not been continuous, and because of this, the rental increase cap has not been revised since its initial establishment in the 1980's. Chairperson Hubberman asserts the RLB duty to make a recommendation to the city on a reversion to the means -- to lower this rental increase cap. She validates this claim citing the average rent of the city being \$1,400 despite the per capita income of the city only being \$22,000 per year. The chairperson will make a recommendation of a 2.5% cap if water is included in the rent, and 2% cap if the rent does not include water.

Mr. Kowitski asks for clarification on Chairperson Hubbermann's recommendation of lowering the rental increase cap to 2.5% and 2% to course correct the previously high cap, and thus prevent inflation from occurring.

Chairperson Hubbermann explains that it is important to consider the economic context of the time when the rent leveling board in 1986 first instituted the 5% cap. The CPI at the time was 7.8%, the 5% was placed to stabilize rising rent prices and make it more accessible to residents. She emphasizes the importance of revising these figures to match the current realities of the city and its residents to mitigate the dilemma of unaffordable housing in the city.

Mr. Kowitski replies, stating that consideration for the landlords must be taken in this conversation regarding the lowered percentage. He is concerned in preserving the property's values.

Chairperson Hubbermann explains that not all properties fall under rent stabilization. Of these, are properties that have been redeveloped or fall under another state law. The council and the administration are the ones who set the ordinances, thus this particular point falls outside of the RLB scope.

Mr. Kowitski asks if there are measurable goals, and with this a timeline, in mind regarding evaluating the effects of implementing a new rental increase cap.

Chairperson Huberman reiterates the benefit that this has to the city residents economically and making housing more accessible. With this, there is the added benefit of improving the city's public health and safety by making it so that multiple individuals are not overcrowding single units.

Mrs. Roman adds that during the pandemic the department of human services delivered meals to sick families, during this they encountered very large numbers of individuals living in a housing unit. She emphasizes that since then, the city has focused on improving the living conditions of residents which have steadily declined due to high rent. The office of economic community development contracted a third party to develop a housing plan for the city. She will email members the housing plan which details both short term and long term goals for housing in the city.

Mr. Kowitski asks what are the board's and city's main objectives for change. He wants to make sure that we are tracking our efforts in accordance with the goals we set forth, and establish measurable goals so that we can properly evaluate the success of our efforts.

Chairperson Hubberman responds to Mr. Kowitski's inquiries. She states that the priorities and goals are ensuring public safety, addressing destabilization (due to the city's outdated ordinance), and housing unaffordability. She commends Mr. Kowitski on his insight, and adds accountability as another priority for this project (in establishing clear metrics and goalposts).

Mr. Mackiel voices his agreement for the recommendations proposed by Chairperson Hubberman in regards to lowering the allowable rental increase cap. He cites the Fire Chief stating that an update to rental ordinances is necessary as many units are not meeting code regulations.

Ms. Moreland agrees with Mr. Mackiel's concerns in regards to rising rental prices and decreased quality of living. She also agrees with the recommendation to lower the rental increase cap. She inquires if there has been a survey done for residents to determine what number of people cannot afford their rent.

Mrs. Roman replies to Ms. Moreland's inquiry, stating that during the Housing Expo (October 2nd, 2021) a survey was distributed to those who attended the event to see what concerns led individuals to attend the expo and become interested in housing. A portion of respondents expressed interest in purchasing a property of their own, due to the rising amount they have to spend on rent. Mrs. Roman will share this information along with the report on Middlesex county rent with the board.

Ms. Ramirez cites similar concerns as Mr. Mackiel in regards to the rising cost of living and the average median income household in the city of Perth Amboy.

Mr. Rosario asks, "Can the city create an ordinance limiting how often landlords can increase rent? Or is that task assigned to the county and/or state every year?"

Chairperson Hubberman explains that the city's current ordinance places a cap on landlords whose properties are applicable. Not all rental units are subject to the ordinance.

Kevin McManimon adds that the statute prevents landlords from increasing rent beyond 5% every year.

Mr. Kowitski states that he is in support of Chairperson Hubberman's recommendations but would like to present for consideration some conditions. These are as follows; placing a formal voting guideline to review the ordinance on a consistent basis, a method for landlords to request exemptions from the new percentage cap given extenuating circumstances.

Mr. McManimon replies that there is a provision within the city's code, section 353-8, rental increases due to financial hardship -- which would waive landlords from abiding to the lowered rental percentage cap if they demonstrate that reasonable operating costs exceed 60% of rental income. The landlord applies through the rent leveling board.

Chairperson Hubberman addresses the board, stating that the motion she is seeking to pass is as follows; 2.5% for rental properties without water included, and 3% for properties where water is included in the rent. With this she wants to include language in the new ordinance to review the rental increase cap.

Motion to recommend a lowered rental cap to the council and revisit the language every three years

Kevin Kowitski Chris Rosario
Motion 2nd the Motion

Mrs. Roman conducts a roll call and confirms those who agree with the motion. The following parties are in agreement with the motion.

Ms. Ramirez, Ms. Moreland, Mr. Rosario, Mr. Kowitski, Chairperson Hubberman

Absent: Vincent Mackiel*

*Of note, Mr. Mackiel was unable to vote as he experienced a loss of power on his computer, so he was unable to access the Zoom.

The attorney will prepare a resolution to give to the council.

Motion to close old business.

Chris Rosario Kevin Kowitski
Motion 2nd the Motion

New Business:

No New Business

Motion to close new business.

Kevin Kowitski Chris Rosario
Motion 2nd the Motion

Motion to open to the public.

Kevin Kowitski Chris Rosario
Motion 2nd the Motion

Open to the Public:

No comments

Motion to close to the public

Kevin Kowitski Luz Ramirez
Motion 2nd the Motion

Having no more business of the RLB:

Motion was made to close the meeting:

Kevin Kowitski
Motion

Chris Rosario
2nd the Motion

All members were in agreement.
Meeting adjourned at 9:42p.m.

Next meeting date:
Monday, December 6th, 2021