

City of Perth Amboy – Rent Leveling Board Meeting
Monday, February 7, 2021
Minutes: Meeting commenced @ 7:07 p.m. via zoom

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

Roll Call, Kevin Kowitski, Chris Rosario, Sal Suriel, Luz Ramirez, Vincent Mackiel and Chairperson Sharon Hubberman,. and Dianne Roman (recording secretary to the RLB and City representative)

Absent: Gisela Ramos Espailat

Pledge of Allegiance

Approval of Minutes: December 6, 2021

Vincent Mackiel Chris Rosario
Motion 2nd the Motion

All members in attendance accepted the minutes.

Topics of discussion:

Hardship Hearing: 310 Alpine Street

Chairperson Hubberman summarizes the purpose of today’s meeting; a hardship hearing for Wendy Rocha, a local landlord. She owns a multifamily home, 4 apartments of which the owner lives in one of the units.

The Chairperson administers the ‘Administration of Oath.’

Applicant Mrs. Rocha agrees to the terms set forth by the oath.

Board Attorney Nick Strauser, the sitting attorney for this hearing, reviews the relevant ordinance, 353-8 ‘Rental Increase due to Hardship,’ for this hearing. The Rent Leveling Board will review the evidence provided by the Landlord, and with this, decide if a rental increase is applicable and reasonable. Strauser also reviews 353-1, where operating expenses is defined. The following items fall under operating expenses; property taxes insurance, supplies and materials, utilities, heat, grounds care, and maintenance. Mrs. Rocha’s application is being submitted under part A, for operating expenses. Mrs. Rocha’s operating expenses along with rental income will be reviewed and must meet the 60% threshold.

Chairperson Hubberman thanks Mr. Strauser, and moves to begin review of the stipulations and evidence Mrs. Rocha has provided. **In addition, Chairperson Hubberman informs the board what is typically included and excluded from a net operating statement. Chairperson highlights the following exclusions from a net operating statement: debt service (mortgage), capital expenditures, depreciation and amortization.**

Mrs. Roman reviews Mrs. Rocha's submitted documents; itemized expenses on the property, mortgage expenses and insurance expenses.

Board member Mr. Mackiel inquires, "Some of the provided expense documentation by Mrs. Rocha are from 2020. Are these reviewable and applicable for this hearing, in 2022?"

Mr. Strauser explains that the ordinance has no time frame limitation. He notes, that the 2020 expense documentation was submitted in 2021. He suggests to the board to inquire with Mrs. Rocha on which exact expenses, income, and repairs apply to this hearing.

Board member Mr. Mackiel asks Mr. Strauser whether they need the lease for the unit that Mrs. Rocha is seeking to increase the rent. The unit is rented on a month to month basis to the tenant, thus Mrs. Rocha does not have a formal lease.

Mr. Strauser explains that the city ordinance states that any increases cannot be within 12 months of the tenancy starting. All questions regarding length of tenancy, rent amount, etc. can be directed to Mrs. Rocha

The Chairperson proceeds with the hearing, and requests that Mrs. Rocha go through each of her documents and present her case to the board.

Mrs. Rocha addresses **Board member** Mr. Mackiel's question, stating that the tenancy began on January 1st of 2020. The tenant's rent has remained the same, \$1,000 a month, of which Mrs. Rocha has documented with receipts that has been shared with the board.

Chairperson Hubberman asks if Mrs. Rocha was able to gather the receipts of establishing payment starting from **January 1st 2021** to December 1st 2021 in order to establish that the **tenant meets the 12 months rental threshold since the tenant is a month to month tenant.**

Mrs. Rocha confirms that she has such receipts for the given timeframe, and will submit them to the board per the Chairperson's request.

Board member Mr. Mackiel inquires how Mrs. Rocha arrived to the proposed 20% rate of increase, \$200, for Unit 1-A.

Mrs. Rocha states that she arrived to this number by basing it off of another one of her rented units which has the same square footage as Unit 1-A.

Chairperson Ms. Hubberman asks Mrs. Rocha to go through the figures detailed in the documents she has submitted for review to the rent leveling board pertaining to her net operating income and income expenses. The chairperson states that there is a difference in these numbers across the various documents Mrs. Rocha has submitted to the board and **would like Mrs. Rocha to provide clarification to the Board.**

Mrs. Rocha explains that in the documents originally sent to Mrs. Roman, she arrived to the figure of thirty three thousand dollars as her operating income, affected by Unit 1-B being vacant for five months. When organizing for the hearing, Mrs. Rocha reviewed her documents and realized the discrepancy was caused by a miscalculation on her part – having documented the

vacancy as 6 months originally, instead of 5 months. The correct income is \$34,800 but due to the COVID pandemic and the financial hardship, her schedule E form shows a different figure.

Chairperson Hubberman continues the discussion of Mrs. Rocha's documents and operating income.

The Chairperson continues the discussion with focus on the property and amenities provided to the tenants, and how these contribute to Mrs. Rocha's income. She asks a series of questions concerning the physical property.

Mrs. Rocha delineates that the difference across 2020 and 2021 for operating expenses can be attributed to the repairs done to the property – irregular expenses. The expense documentation provided to the board are for the property as a whole.

The Chairperson requests for Mrs. Rocha to submit an itemized listing for each unit detailing the extent of repairs for each one.

The Chairperson further queries on the repairs made; specifically, if these were done in an effort to remain in compliance with housing or health codes.

Chairperson Hubberman inquires with Fire Chief Mullen: “When a fire inspection is normally completed on a rental property?” Chief Mullen provided information to the board.

Comments and discussion regarding the debt service on the property were addressed by **Mr. Strausser and Board Member Mr. Kevin Kowitski**.

After the debt service discussion, the Chairperson requested for Mrs. Rocha **to provide the Board the additional documents on the rental property that reflect the year end totals**. She also requests for Mrs. Rocha to resubmit repair receipts, as they are hard to read **due to being in picture and cascaded format**. **Mrs. Rocha agreed she is able to provide these documents promptly.**

In addition, Board member Mr. Chris Rosario also requests Mrs. Rocha to provide an itemized receipt for the \$8,000 spent on repairs.

Chairperson Hubberman inquired if there are any tenants of the property present at the hearing and requested the Board Secretary Mrs. Roman to also inquire in Spanish.

Board Secretary Mrs. Roman asked if anyone in the audience is a tenant of this property and would like to provide commentary. **(In Spanish)**

Since there were documents still pending to be provided to the Board regarding the Hardship hearing, the hearing was tabled to a date of March 8th 2022, which was also agreed upon by the applicant Mrs. Rocha.

Mr. Strauser notifies the board that the tenant must be made aware of the hearing being tabled for March 8th. An official notice along with proof of notice must be submitted to the board.

The board has agreed and set a 21 day timeframe for the notice.

Motion to set a 21 day timeframe for notice

Chris Rosario

Vincent Mackiel

Motions

2nd the motion

Motion to close this topic/Revisit on the next RLB meeting on March 8th

Vincent Mackiel

Kevin Kowitski

Motions

2nd the motion

Motion to open OB

Vincent Mackiel

Chris Rosario

Motions

2nd the motion

Vincent Mackiel points out, “The meeting for July should be for the 12th, not the 15th, as the 15th falls on a Friday.”

Mr. Kowitski asks, “Will we be tracking any statistics or collecting data on how our policy change (in regards to the rental increase cap) is affecting residents of the city? Seeing that we are receiving requests for hardship hearings.”

Mrs. Roman replies, stating that there is data on the tenants and their economic standing. She will need additional time to collect data on property owners/landlords. She adds that the city funds organizations like PRAHD for rental assistance, and the county has a rental assistance program

Motion to close OB

Vincent Mackiel

Kevin Kowitski

Motions

2nd the motion

Motion to open NB

Vincent Mackiel

Luz Ramirez

Motions

2nd the motion

Mr. Mackiel makes note of the money available through the county for individuals who worked throughout the pandemic.

Motion to close NB

Kevin Kowitski

Vincent Mackiel

Motions

2nd the motion

Motion to open to the Public

Kevin Kowitski
Motions

Chris Rosario
2nd the motion

No members of the public spoke.

Motion to close to the Public

Vincent Mackiel
Motions

Luz Ramirez
2nd the motion

Mrs. Roman introduces the new member, Sal Suriel, to the rest of the board.

Motion to Adjourn

Chris Rosario
Motions

Vincent Mackiel
2nd the motion

All members were in agreement.

Meeting adjourned at 9:05p.m.

Next meeting date:

Monday, March 8th, 2022