

**BOROUGH OF WEST PATERSON
ORDINANCE No. 06-02**

**AN ORDINANCE TO REGULATE, CONTROL AND STABILIZE RENT
AND CREATE A RENT LEVELING BOARD
IN THE BOROUGH OF WEST PATERSON**

WHEREAS; It is deemed necessary by the Mayor and Municipal Council, in view of the critical housing shortage and increased demand for apartment dwelling units resulting in abnormal and unwarranted increases in rents within the Borough, that some type of rent leveling and control be enacted by the Mayor and Municipal Council.

PURPOSE

Under the legal powers granted to the Mayor and Municipal Council in order to promulgate the health, safety and general welfare of the citizens of the Borough, Rent Leveling and Control is determined to be necessary within the Borough. It is hereby declared to be in the interest of the health, safety and general welfare of the people of the Borough to prevent unwarranted and abnormal increases in rents; to alleviate the effects of the critical housing shortage, and to protect persons living in the Borough from undue impairment of their standard of living during the housing crisis. To the end that these purposes may be effectively carried out the provisions hereof are enacted.

DEFINITIONS

As used in this chapter:

Available for rent to tenants shall mean fit for habitation as defined by the Housing Inspection Code and occupied or unoccupied and offered for rent.

Dwelling shall mean and include any building or structure rented or offered for rent to one (1) or more tenants or family units. Exempt from this chapter are motels, hotels and similar type buildings and buildings in which up to one-third (1/3) of the occupied floor space is commercial, housing of two (2) units in which the owner of the premises resides, and all one (1) unit housing. Housing units, newly constructed and rented for the first time are exempted, and the initial rent may be determined by the landlord. All subsequent rents will be subject to the provisions of this Ordinance.

Housing space shall mean and include that portion of dwelling rented or offered for rent for living and dwelling purposes to one (1) individual of family unit together with all privileges, services, furnishings, furniture, equipment, facilities and improvements connected with the use or occupancy of such portion of the property.

Price Index shall mean the Consumer Price Index (all items) for the metropolitan New York City area, published periodically by the Bureau of Labor

ESTABLISHMENT OF RENTS

- a. Establishment of rents between landlords and tenants to whom this chapter is applicable shall hereinafter be determined by the provisions of this chapter. At the expiration of a period of not less than twelve (12) consecutive calendar months following the effective date of the last previous rental increase for any unit of multiple dwelling housing space subject to rent regulation under the terms of this chapter, no landlord shall request, demand, receive or collect an increase in rental for such unit which shall exceed one hundred (100%) percent of the percentage increase in the consumer price index in effect for the third month preceding the month during which the rental increase permitted hereby is to take effect (hereinafter referred to as the “base month”) and the consumer price index in effect one (1) year prior to the base month. *(Example: Any rent increase is limited to the increase in the CPI from a given month in year 1 to the same month in year 2.)*
- b. For purpose of this chapter, Consumer Price Index means the Consumer Price Index for Urban Wage Earners and Clerical Workers, New York-Northeastern New Jersey published by the Bureau of Labor Statistics, United States Department of Labor.
- c. There shall be no increase in the rent of a month-to-month tenant within the period of any twelve (12) months and then no landlord may request to receive a percentage increase greater than as set forth in paragraph a. hereof.
- d. In the event of a vacancy a landlord may request, demand, receive and collect any increase for the rental unit from a new tenant.

INCREASE: WHEN VOID

Any rental increase at a time other than at the expiration of a lease or termination of a periodic lease shall be void.

INCREASE; NOTICE TO TENANT

Any landlord seeking an increase in rent shall notify the tenant of the calculations involved in computing the increase, including the Consumer Price Index at the date of the entry of the lease, the consumer Price Index one hundred twenty (120) days before the expiration of the lease and the allowable rent increase.

TAX SURCHARGE

A landlord may seek a tax surcharge from a tenant because of an increase in municipal property taxes. The tax surcharge shall not exceed that amount authorized by the following provisions. The landlord shall divide the change in the property tax between the previous two (2) calendar years by the number of rooms in the dwelling to obtain the tax increase per room. The tenant shall not be liable for a tax surcharge exceeding the tax increase per room multiplied by the number of rooms occupied by the tenant.

NOTIFICATION OF TAX SURCHARGE

Any landlord seeking a tax surcharge shall notify the tenant of calculations involved in computing the tax surcharge including the present property tax, the total number of rooms in the dwelling, the tax increase per room, the number of rooms occupied by the tenant and the maximum allowable surcharge.

PAYMENT OF SURCHARGE

The tax surcharge that each tenant is liable for shall be paid in twelve (12) monthly installments.

SURCHARGE NOT CONSIDERED RENT

The tax surcharge shall not be considered rent for purposes of computing cost of living rental increases. In instances when tax surcharges shall have been imposed resulting from increases in municipal property taxes, proportionate reductions shall be provided in instances when municipal property taxes shall have been reduced.

INCREASES FOR CAPITAL IMPROVEMENTS

Landlord may seek additional rental for any major capital improvement or any substantial increase in the services rendered to the tenants. The landlord shall notify each tenant who may or shall be affected by such rental increase by certified mail of the total cost of the completed capital improvement, the number of years of useful life thereof as claimed by the landlord for the purpose of depreciation for Federal income tax purposes, the average annual cost of the improvement or service, the total number of square feet in the structure in which any multiple dwelling space is situated, the total number of square feet occupied by the tenant, and the capital improvement or service increase surcharge which the landlord is seeking from each tenant. The Tenant shall not be liable for capital improvement or service increase surcharge exceeding the same ratio to the total annual cost thereof as the number of square feet occupied by the tenant to the total number of square feet in the building or structure in question. Any landlord seeking a capital improvement or service increase surcharge shall

appeal for the surcharge to the Municipal Council. The Municipal Council shall determine if any improvement is a major improvement or if the service increase is a substantial service increase. In no event shall any surcharge granted pursuant to this chapter exceed fifteen (15%) percent of the tenant's rent in effect at the time of the granting of such surcharge. Commencing with the month next succeeding the date of the granting of any such capital improvement or service increase surcharge, each tenant affected thereby shall pay, together with his monthly rental, one-twelfth (1/12) of the portion of such surcharge allocated to him by application of the calculation hereinabove set forth. Prior to any such appeal to the Municipal Council for any such capital improvement or service increase surcharge, a landlord shall post in the lobby of each building where the tenants of which may or shall be affected thereby, or, if no lobby is present, then in a conspicuous place on the premises, a notice of the appeal setting forth the basis for the appeal and the place and date scheduled for the hearing thereof. The notice must be posted not less than ten (10) days in advance of the date scheduled for the hearing of the appeal.

TAX APPEAL

In the event of a tax appeal the portion of a tenant's tax surcharge not being paid by the landlord to government will be held in an interest bearing account.

RENT LEVELING RESPONSIBILITIES

The Municipal Council is hereby granted, all powers necessary and appropriate to carry out and execute the purpose of this chapter including but not limited to the following:

- a. To issue and promulgate such rules and regulations as it deems necessary to implement the purpose of this Ordinance, which rules and regulations shall have the force of the law until revised, repealed or amended from time to time by the Municipal Council in the exercise of its discretion, providing that such rules are filed with the Borough Clerk.
- b. To supply information and assistance to landlords and tenants to help them comply with provisions of this Ordinance.
- c. To hold hearings and adjudicate applications from landlords for additional rental as determined by various Sections of this Ordinance. The Municipal Council shall give reasonable opportunity to both landlord and tenant to be heard before making any determination.

- d. The Mayor is authorized to appoint and employ a Rent Leveling Clerk whose powers and duties are to be prescribed by the Municipal Council. The Municipal Council shall fix the compensation of the Rent Leveling Clerk.
- e. There is hereby created the office of Attorney for the Rent Leveling Issues handled by the Municipal Council. The attorney shall be an attorney-at-law of the State of New Jersey, The Attorney shall be appointed by the Mayor and shall service for a term of one (1) year. The Attorney shall advise the Municipal Council and shall prepare resolutions pertinent to the Rent Leveling duties of the Municipal Council in accordance with the laws of the State of New Jersey and the Ordinances of the Municipality. The Municipal Council shall fix the compensation of the Rent Leveling Attorney. The Borough Attorney may serve as the Rent Leveling Issues Attorney.

HARDSHIP INCREASES

In the event a landlord cannot meet his mortgage payments and maintenance, or he cannot realize a reasonable profit from his investment in his property, he may appeal to the Municipal Council for increase rents. The Municipal Council may grant the landlord a hardship rent increase to meet these payments. The Municipal Council shall require statements of income and expenses and current cash flow statements in connection with all such applications and prior to the granting of any increases The Municipal Council shall give at least ten (10) days notice of public hearing thereon.

STANDARDS OF SERVICE AND MAINTENANCE

- a. ***Maintenance of Standards.*** During the term of this chapter the landlord shall maintain the same standards of service, maintenance, furniture, furnishings or equipment in the housing space and dwelling as he provided or was required to do by law or lease at the date the lease was entered into.
- b. ***Deficiency in Maintenance of Standards, Recourse.*** An individual tenant or a class of tenants who are not receiving substantially the same standards of service, maintenance, furniture or furnishings or equipment may have the Municipal Council determine the reasonable rental value of the housing unit or dwelling in view of this deficiency. The tenant or class of tenants shall pay the reasonable rental value as full payment for rent until the landlord proves that deficiency has been corrected.

UNAUTHORIZED INCREASES PROHIBITED

No landlord shall after the effective date of this Ordinance charge any rents in excess of what he was receiving from the effective date of this Ordinance except for increases authorized by this Ordinance.

FIRST RENTAL OF DWELLING SPACE

The owner of housing space or dwelling being rented for the first time shall not be restricted in the initial rent he charges. Any subsequent rental increases, however, shall be subject to the provisions of this Ordinance.

VIOLATIONS AND PENALTIES

A willful violation of any provisions of this chapter including, but not limited to, the willful filing with the Municipal Council of any material misstatement of fact, shall be liable, upon conviction, to a penalty equal to 25% of the monthly rental fee in question; the penalty for subsequent offenses shall be equal to 100% of the monthly rental fee in question. In addition, treble damages may be sought in a court of competent jurisdiction. Such fine of fines and /or damages shall be computed on the basis of a separate violation as to each household.

INTERPERTATION OF ORDINANCE

This Ordinance being necessary for the welfare of the Borough and its inhabitants shall be liberally construed to effectuate the purpose thereof.

SEVERABILITY

If any provision of this Ordinance or the application for such provision to any person or circumstances is declared invalid, such invalidity shall not effect other provisions of this Ordinance which are declared to be severable.

EFFECTIVE DATE AND TERM

This Ordinance, upon passage and required publication, is to take effect immediately and shall remain in full force and effect until December 31, 2008, subject to being amended and/or extended through ordinance prior to December 31, 2008.

Introduced: **Feb. 1, 2006**

Adopted: **Mar. 1, 2006**