

# Ordinance of the City of Jersey City, N.J.

File No. Ord. 21-013  
Agenda No. 3.1 (1st Reading)  
Agenda No. (2nd Reading and Final Passage)



**ORDINANCE OF THE CITY OF JERSEY CITY AMENDING CHAPTER 260 (RENT CONTROL) (1) IMPOSING A RENT INCREASE FREEZE ON UNITS SUBJECT TO MUNICIPAL REGULATION EXCLUDING OWNER-OCCUPIED HOMES WITH 2-4 UNITS OF HOUSING AND (2) PROHIBITING ANY COLLECTION OF A PENALTY FOR A LATE PAYMENT OF RENT AS A RESULT OF THE CURRENT PUBLIC HEALTH EMERGENCY DECLARED BY THE GOVERNOR.**

**COUNCIL AS A WHOLE offered and moved adoption of the following ordinance:**

COUNCIL AS A WHOLE offered and moved adoption of the following ordinance:

§ 260-1. - Definitions.

As used in this chapter, the following terms shall have the meanings indicated:

**AVAILABLE FOR RENT TO TENANTS**—Fit for habitation as defined by the statutes, codes and ordinances in full force and effect in the State of New Jersey, County of Hudson and City of Jersey City, and occupied or unoccupied and offered for rent.

**BASE RENT**—The legal rent charged or actually received by the landlord for the rental of a housing space as of January 11, 1983; or if not occupied at that date the "base rent" shall be that actually charged to and received from the previous tenant, plus any increases under § 260-3 of this chapter or the ordinance to which this is an amendment, or if insufficient evidence is available from which the Rent Leveling Administrator or Board can determine the legal rent charged or actually received as provided above, then the Rent Leveling Administrator and Board have the power to determine the legal "base rent" by considering the legal base rent of other units, subject to the provisions of this chapter, which are comparable in size, location and facilities to the subject unit.

**CAPITAL IMPROVEMENT**—A permanent improvement that adds to value or substantially extends the useful life of the landlord's property and can be claimed by the landlord for depreciation on his or her federal tax returns. Specifically excluded are ordinary repairs, maintenance and conversion to heat/hot water units for individual apartments where the cost of providing the heat/hot water service is transferred from the landlord to the tenant.

**CONSUMER PRICE INDEX**—The consumer price index (all items, base year 1967 = 100) for the region of the United States of which Jersey City is a part, published periodically by the United States Department of Labor, Bureau of Labor Statistics.

**DWELLING**—Any building or other structures containing housing spaces rented or offered for rent to one or more tenants consisting of a household or family as defined in this Chapter. A dwelling includes buildings or structures that are exempt from the restrictions of rent increases mandated under this Chapter.

A. Exempt from this definition are:

1. Dwellings with four or less housing spaces; provided, however, that this exemption shall be suspended for non-owner occupied dwellings with four or less housing spaces until the end of the State of Emergency or 6 months from adoption of these amendments whichever comes first. This paragraph shall be effective March 15th, 2021.
2. Licensed hotels or motels and commercial and industrial space.
3. Newly constructed dwellings with 25 or more dwelling units located within a redevelopment area as defined in Section 5 of the Redevelopment Agencies Law, N.J.S.A. 40:55C-5(o), for which the City Council has approved a redevelopment plan, in accordance with Section 17 of the Redevelopment Agencies Law, N.J.S.A. 40:55C-17

APPROVED AS TO LEGAL FORM

**Ordinance of the City of Jersey City amending Chapter 260 (Rent Control) (1) Imposing a rent increase freeze on units subject to Municipal Regulation excluding owner-occupied homes with 2-4 units of housing and (2) Prohibiting any collection of a penalty for a late payment of rent as a result of the current Public Health Emergency declared by the Governor.**

4. Low rent public housing developments.

5. All buildings or structures, hotels, motels or guesthouses which are converted from any previous use as a nonpermanent dwelling to use as a dwelling on or after October 1, 1983. For the purpose of this exemption, a building shall be deemed converted for use as a dwelling on the date on which the certificate of occupancy for dwelling use is issued.

A. Any new dwelling or housing spaces being rented for the first time for the initial rental only. EQUITY IN REAL PROPERTY INVESTMENT—The actual cash contribution of the purchaser at the time of closing of Title and any principal payments to outstanding mortgages subsequent to acquisition of title by the purchaser.

FAIR RETURN—The percentage of return on equity of real property investment. The amount of return shall be measured by the net income before depreciation. A "fair return" on the equity investment in real property shall be considered to be 2.5% above the maximum passbook demand deposit savings account interest rate available in the municipality.

HOUSING SPACE—Includes that portion of a dwelling rented or offered for rent for living and dwelling purposes with all privileges, services, furnishings, furniture, equipment, facilities and improvements connected with the use or occupancy of such portion of the real property.

JUST CAUSE FOR EVICTION—That the landlord recovered possession of a housing space or dwelling for one of the reasons outlined in state law ( N.J.S.A. 2A:18-53 as amended or N.J.S.A. 2A:18-61.1 et seq.).

LANDLORD REGISTRATION STATEMENT—A statement to be completed and filed with the Bureau of Rent Leveling pursuant to § 260-2 E, F and G by all owner(s) and landlord(s) of housing spaces and/or dwellings in the City of Jersey City.

LIVING AREA—The amount of total rentable space applicable to any given housing space, measured either in terms of rooms or square footage.

RENT—Any price for the use of a housing space. It includes any charge, no matter how set forth, paid by the tenant for the use of any service in connection with the housing space. Security deposits and charges for accessories, such as boats, mobile homes and automobiles, not used in connection with the housing space shall not be construed as "rent". No charges shall be permitted for late rent, whether termed a late rental fee or interest on rent paid late, in excess of Thirty-Five (\$35.00) Dollars, returned check fees in excess of Thirty-Five (\$35.00) Dollars, or any other similar charges; provided, however, that no landlord may collect any penalty or interest, however defined, for late payment of rent until until the end of the State of Emergency or 6 months from adoption of these amendments whichever comes first. This paragraph shall be effective March 15th, 2021.

RENTAL STATEMENT—The statement a landlord shall be required to sign and deliver to each tenant at the inception of the tenancy, identifying the name and address of the landlord and his or her agent, if any, identifying the name, address and telephone number of the superintendent, if any, providing a twenty- four-hour emergency telephone number for the landlord or his or her agent, describing the housing space rented, the related services and equipment involved (whether or not including use of basement, garage, clothesline, washing equipment, utilities, heat, hot water, garbage removal, repairs, maintenance and the like) as of January 11, 1973; and the base rental as of the date of the inception of the tenancy; and the rent of the prior tenant and notification of the existence of the rent registration law.

SERVICE—The provision of light, heat, hot water, maintenance, painting, elevator service, air conditioning, storm windows, screens, superintendent service and any other benefit, privilege or facility connected with the use or occupancy of any dwelling or housing space.

SERVICE SURCHARGE—An additional charge over and above the rental due for new or additional services.

SUBSTANTIAL COMPLIANCE WITH APPLICABLE HEALTH AND MAINTENANCE CODES—The housing space and dwelling are free from the major health, safety and fire hazards as well as in compliance with heat and hot water and sanitary requirements. Compliance is to be determined with the aid of appropriate city and state regulatory agencies based upon current code inspection reports which shall be not less than six months old at the time of the initial hearing on a rent increase application under § 260-10, Hardship rental increases, and § 260-5, Capital improvements.

§ 260-2. - Rent leveling; landlord registration statement; answering devices.

No change

§ 260-3. - Allowable increases

A. However, as a result of the COVID-19 pandemic, no landlord may request or receive any rental increase at the expiration of a lease or the expiration of any periodic tenancy until the

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end of the State of Emergency or 6 months from adoption of these amendments whichever comes first . This paragraph shall be effective March 15th, 2021.

§ No more than one such cost-of-living rental increase in any one twelve-month period shall be permitted irrespective of the number of different tenants occupying said housing space during said twelve-month period.

§ Vacant space.

(1) In the event of a vacant housing space, the landlord may raise the rental above the cost-of-living increase without prior application being made to the Bureau of Rent Leveling, and only if he or she has made capital improvements to the housing space. Such capital improvements will entitle the landlord to increase the base rent of the vacant unit by the following amount:

(a) For capital improvements up to \$5,000 in value, the vacant unit's monthly base rent shall be increased by \$1.35 per \$100 of improvement; and

(b) For capital improvements in excess of \$5,000, the vacant unit's monthly base rent shall increase by \$1.55 per \$100 of improvement.

(2) It shall be the sole responsibility of the landlord to register the new rent of any improved unit with the Division of Tenant/Landlord Relations pursuant to § 260-2 of this chapter. No capital improvements shall be recognized under this provision unless they are made in accordance with applicable city codes and the appropriate permits are obtained. It shall be the responsibility of the landlord to document to the Bureau of Rent Leveling and prove the cost of any capital improvements in vacant housing space for which he or she desires to increase the rental.

(3) The landlord seeking a rent increase under this subsection shall pay an application fee of \$75 per unit.

D. The landlord shall supply the following information in writing to any new tenant within the first 10 days of a new tenant's tenancy: the name of and rent paid by all tenants who occupied the apartment rented by the new tenant during the prior 12 months. The landlord shall keep a written record of the information described herein. The landlord shall make this record available to the Rent Leveling Administrator or Board upon request.

E. It shall be unlawful for any landlord to charge a tenant for the use of a washing machine, refrigerator, cooking stove, air conditioner or any other appliances wherever such appliances were permitted and allowed by the landlord without extra charge. The use of such appliances shall be considered as included in the former rents. Any such extra charge in such situation shall be considered as an unauthorized increase in rents and shall be unlawful unless approved by the Rent Leveling Board. Any landlord who has heretofore charged for such appliances shall be in violation of this chapter and shall be liable for punishment as such.

F. Any landlord seeking a major capital improvement rent increase based upon a substantial improvement of the dwelling and/or housing space must include in the notice to the tenant a landlord certification that said dwelling and housing space is in substantial compliance as defined by this chapter. All work done on the structure and premises must have been with approval of the appropriate agency or department as evidenced by requisite permits. The completed construction must be in accord with building, fire and other code regulations. A certificate of occupancy, where required by law, and a certificate of code compliance, including a housing inspection report based upon an actual inspection made within six months of the date of the landlord's application, must be produced as evidence. For the purpose of this section only, "substantial improvement" shall mean that the cost of the capital improvements exceeds 50% of the current assessed value, as adjusted to 100% by the county tax equalization ratio prior to the improvements being made.

(1) If a landlord is determined to be in substantial compliance the increase shall be payable from the date set forth in the original notice of rent increase.

(2) If a landlord is determined not to be in substantial compliance at the time of the hearing, then the Board may grant provisional approval for the capital improvement and rent increase with such approval to be reviewed within six months. In the event that the subject property is brought into substantial compliance within the six-month period, then the provisional approval shall become final.

(3) In the event that the subject property is not brought into substantial compliance within the six-month period, but the owner has within this period made significant progress toward substantial compliance, the provisional approval shall continue with a further review being scheduled within the following three months. If the property is brought into substantial compliance within the additional three months, the provisional approval shall become final.

(4) In the event that the owner has not brought the property into substantial compliance or made significant progress toward substantial compliance within the six-month initial period or fails to

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bring the property into substantial compliance after being accorded the additional three-month extension, the owner provisional approval shall terminate and any capital improvement rent increase collected shall be immediately refunded to the tenant who paid the increase.

(5) Any capital improvement rent increase approved pursuant to this section shall take effect from the date of determination by the Board upon proper notice as required by the laws of the State of New Jersey.

G. Any landlord seeking a hardship increase shall include with the application an actual inspection report from the local building or property maintenance department based upon an inspection made within six months prior to the application. An application without said inspection report shall be void. The hearing officer may request an inspection if no inspection report is included in such application. The determination of substantial compliance shall be made by the Rent Leveling Board upon reviewing the list of violations, if any, set forth in the inspection report. If there are any objections thereto, then either party may file a complaint with the Board and a hearing shall be scheduled. The Chairperson of the Board shall intervene

whenever necessary, upon request of any party to an application, to assure a prompt inspection by the appropriate department.

(1) If a landlord is determined to be in substantial compliance, then the hardship request shall be processed subject to the requirements set forth in § 260-10 of this chapter.

(2) If a landlord is determined not to be in substantial compliance at the time of the hearing on the hardship application, and the Board determines, after hearing, that the application would otherwise be granted, then the Board may grant provisional approval for the hardship application with such approval to be reviewed within six months. In the event that the subject property is brought into substantial compliance within the six-month period, then the provisional approval shall become final.

(3) In the event that the subject property is not brought into substantial compliance within the six-month period but the owner has, within this period, made significant progress toward substantial compliance, the provisional approval shall continue with a further review being scheduled within the following three months. If the property is brought into substantial compliance within the additional three months, the provisional approval shall become final.

(4) In the event that the owner has not brought the property into substantial compliance or made significant progress toward substantial compliance within the six-month initial period or fails to bring the property into substantial compliance after being accorded the additional three-month extension, the owner's provisional approval shall terminate and any rent increase collected shall be immediately refunded to the tenant who paid the increase. In the event that a provisional approval is so terminated, the Board shall dismiss the hardship application. An owner whose application has been so dismissed may reapply for a hardship rental increase. Any reapplication shall be considered an original application under § 260-10.

H. The landlord shall register the rent roll with the Rent Leveling Bureau in order to qualify for any rental increase.

I. If the landlord does not inform or misinforms the tenant concerning the rent paid by the prior tenants or in any manner illegally increases the tenant's rent, the Rent Leveling Bureau shall then accept, hear and adjudicate a compliance of an illegal increase.

J. The landlord shall provide to each tenant a copy of the Truth-In-Renting Statement and subsequent amendments to said statement and be in full compliance with the landlord identity disclosure provision contained within the statement in order to qualify for any rental increase.

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<b>RECORD OF COUNCIL VOTE ON INTRODUCTION – Feb 24 2021</b>						
RIDLEY	AYE	SALEH	AYE	LAVARRO	AYE	<b>9-0</b>
PRINZ-AREY	AYE	SOLOMON	AYE	RIVERA	AYE	
BOGGIANO	AYE	ROBINSON	AYE	WATTERMAN, PRES	AYE	

<b>RECORD OF COUNCIL VOTE TO CLOSE PUBLIC HEARING –</b>						
RIDLEY		SALEH		LAVARRO		
PRINZ-AREY		SOLOMON		RIVERA		
BOGGIANO		ROBINSON		WATTERMAN, PRES.		

<b>RECORD OF COUNCIL VOTE ON AMENDMENTS, IF ANY –</b>						
RIDLEY		SALEH		LAVARRO		
PRINZ-AREY		SOLOMON		RIVERA		
BOGGIANO		ROBINSON		WATTERMAN, PRES.		

<b>RECORD OF FINAL COUNCIL VOTE –</b>						
RIDLEY		SALEH		LAVARRO		
PRINZ-AREY		SOLOMON		RIVERA		
BOGGIANO		ROBINSON		WATTERMAN, PRES.		

Adopted on first reading of the Council of Jersey City, N.J. on **Feb 24 2021**

Adopted on second and final reading after hearing on

This is to certify that the foregoing Ordinance was adopted by the Municipal Council at its meeting on

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Joyce E. Watterman, President of Council  
Approved:

\_\_\_\_\_  
Steven M. Fulop, Mayor  
Date to Mayor:  
Approved:

**Ord. 21-013**

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**FACT SHEET -**

This summary sheet is to be attached to the front of any ordinance that is submitted for Council consideration. Incomplete or vague fact sheets will be returned with the ordinance.

**Project Manager**

Rolando Lavarro, Councilperson	201-547-5268	rlavarro@jcnj.org
Division	Municipal Council	

Note: Project Manager must be available by phone during agenda meeting (Wednesday prior to council meeting @ 1:00 p.m.)

**Purpose**

Co-Sponsored by Councilman James Solomon. Ordinance extending rent increase freeze and prohibition of collection of late payment penalties or interest until the end of the State of Emergency as a result of the current Public Health Emergency as declared by the Governor.

**Cost (Identify all sources and amounts)**

N/A

**Contract term (include all)**

Approved by  
John Metro, Director of Finance

Status:  
Approved - Feb 16 2021