

Dear Mr. Parlevocchio and Mr. Watkins:

I appreciate that the Administration has backed off its proposal for a Newark-based rent control ordinance and solicited reaction from the public on a newly crafted Ordinance. While we previously corresponded with the Township Attorney and Township Administrator to voice concerns about the origins and objective of the posted Ordinance, we now are responding to the specific request for input on the Ordinance itself. I have cced the Council members, as I particularly expect that the Committee will advocate for its own recommendations or explain why it has adjusted its positions. The Property Owners are not enjoying the suddenly contentious environment around the development of this Ordinance and we are hopeful that we can interact with you to assure a reasonable position is reached.

On behalf of the Bloomfield Property Owners Association, we assert our position on five issues:

Process Our position is that the Committee spent 15 months constructing the terms for a new Ordinance. It is incumbent on the Administration to **adopt the Committee's terms as its standard** in development of a new Ordinance, especially in light of the new Township Attorney's admission that he constructed and posted an Ordinance without consulting the Committee. He should not be making policy in the form of posting an unreviewed Ordinance. We have attached the Township's existing Ordinance to be used as a format, as these terms comfortably reside within it and it is the format used in most ordinances in Essex County other than Newark and East Orange. We have attached a spread sheet with terms of other Essex County municipalities detailed. An Ordinance of the type posted by the new Township Attorney would require new full time staff, substantial legal fees and other implementation issues that were never anticipated by the Committee. In order to even consider this form of Ordinance, the Administration should be required to **model the cost** of creating the bureaucracy that would Administer it and include it in the Township Budget, which was recently passed without a mention of rent control costs.

Vacancy Decontrol The property owners and the tenants expected an ordinance with vacancy decontrol and the tenants expressed at the April 11th meeting they had conceded the issue.

Without vacancy decontrol rent control is unsustainable. Most new tenancies in Bloomfield come from new residents, and so restricting vacancy decontrol helps almost no one currently living in the Township, but because of the subsidies it created by rent control, property values decline as do property taxes, transferring the burden of the City's budget to single-family homeowners. Vacancy decontrol is a better policy that leads to superior economics.

Annual Increases There remained disagreement between landlords and tenants on two issues: the rate of allowable annual increase and whether to include tenants currently under rent control in the new ordinance or grandfather them under the old ordinance. **The Committee set rents at a floor of 3% and a maximum of 5% out of respect for market realities**, but grandfathered tenants under the old ordinance, which uses CPI as the basis for its increase. We argued that grandfathering creates two classes of tenancy which is inappropriate. We believe the dialogue should be about appropriate increases across the board. After all, **homeowners are not given tax breaks based on their tenure in their homes** (unless they qualify under other programs such as senior or veteran standing). We also believe that if the Council is looking for a standard or index for raising rents, CPI is inappropriate as it does not calculate the increases in costs for operating rent controlled properties. The Rent Stabilization Association publishes a figure each year that is used for the increase of rents in New York City that approximates what a New Jersey figure should be.

Form of Ordinance The Ordinance that was posted online was from Newark and not the form of

ordinance that should be considered in Bloomfield and should be withdrawn in favor of Bloomfield's prior Ordinance or the Ordinance in effect in Nutley

<http://ecode360.com/12133328>. Both of these Ordinances offer a form of rent control focused on administering rent increases through annual review and registration; capital improvements; and fair return. This creates an administrative requirement for the Township that can include active review of the rent registrations to affirm proper increases were taken; or the Township can merely maintain the records for reference if challenged by tenants. The Ordinance posted requires new fees to be charged in support of an Administration that is not necessary. Based on our experiences in other towns **it could cost \$300,000 - \$400,000 to support annually**. Too, the Newark Ordinance restricts necessary management standards such as late fees for untimely payment of rent and any number of other components that will create a hostile business environment for both property owners and residents. It also mandates invasions of privacy by insisting prior tenants are introduced to new tenants along with other irregularities of practice and law. In the event that a moderate Ordinance such as the prior Bloomfield Ordinance is insufficient governance, a harsher Ordinance can be enacted at a later date. But peeling back from the creation of the Administrative facilities required to enact the posted Ordinance will be impossible.

Habitability I understand that the tenants would like assurances on conditions issue, which we believe can be best accomplished by **providing additional tenant education on conditions obligations of landlords**. The Inspectors in Bloomfield do a good job and so do the owners of the larger buildings of maintaining compliance with local and DCA requirements. However, with aging building issues do arise and **landlords should be held to a high standard of responsiveness**. Regulating these issues through the rent leveling ordinance is an inappropriate as it would require a new bureaucracy when appropriate venues for these issues already exist: both the Health and Building Departments have regulations with teeth that are directly penal for violations, and we would argue that levying such actions through a rent leveling regime is not only illegal it is impractical. For example, by withholding vacancy decontrol and rent increases until substantial compliance can be proven, a scheduling nightmare will occur in which landlords who otherwise would be able to rent their apartments will have to choose between immediate revenue or keeping apartments empty pending a complex review. There is no justification for a town wide policy that intrudes between the relationship the tenant voluntarily enters with the property owner when no evidence of widespread problems is expressed by either the Health or Building Departments. In fact, we have surveyed Staff and found they were not even consulted on this issue prior to the introduction of the Ordinance.