

# FOR IMMEDIATE RELEASE

From: Bloomfield Property Owners Association

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## **BLOOMFIELD PROPERTY OWNERS CONDEMN PROPOSED RENT CONTROL ORDINANCE**

Bloomfield, NJ – (April 18, 2016) After nearly two years of sincere dialogue around the prospective reintroduction of rent control in Bloomfield, the Bloomfield Council is considering for adoption an Ordinance that is nearly identical to the Rent Control Ordinance in Newark and completely dissimilar to the Ordinance recommended by the Bloomfield Council’s Rent Control Committee.

“Clearly, the proposed Ordinance is a political hijacking of the process that resulted in recommendations for a rent control regime in Bloomfield that, while ill-advised and unnecessary, was acceptable to both tenants and property owners,” says Ron Simoncini, spokesman for the Bloomfield Property Owners Association. “There is no justification whatever for an Ordinance that severely restricts rents to the point of eliminating the motivation to improve the properties.

“We will not only vociferously fight the introduction of the Ordinance, we condemn its origins.”

Bloomfield Property Owners Association offers the following points of opposition to the proposed Ordinance:

- 1) **Contrary to Committee Recommendations** this ordinance does not resemble the recommendations made by the Committee, as announced on March 7<sup>th</sup> at a Council Conference Meeting, by Councilwoman Davis. The Ordinance terms of 3-5% annual increases and vacancy decontrol were developed over more than 15 months of dialogue and referred to the Township Attorney and Township Administrator. The Committee had no awareness of this Ordinance prior to its presentation and has not had a sufficient review period to compare its impacts to that which was studied earlier.
- 2) **Turning Bloomfield into Newark** this ordinance is nearly identical to the Newark rent control ordinance. We have seen the housing conditions in Newark. The Newark ordinance is one of only two in Essex County, East Orange being the other, that does not essentially offer full vacancy decontrol, which the Committee viewed as critical to protecting the property tax base and the upkeep

of units. Clearly the Administration is imposing a social agenda to link Bloomfield with the economic policies of Newark and East Orange.

- 3) **Much Harsher than the Existing Ordinance** At the time of its abolition, the rent control ordinance permitted 4% rental increases on a 12-month cycle and offered vacancy decontrol with the apartments recontrolled for the next tenant. Why would Bloomfield, after 21 years of no significant issues, adopt an ordinance much harsher than its previous ordinance?
- 4) **Both Sides Accepted the Committee Recommendations** at the April 10 Conference Meeting, both sides accepted the structure for Committee recommendations, with tenant representatives acknowledging that their expectation was for full vacancy decontrol to be part of the Ordinance. Why would the Administration, after coming down to the relatively minor matters of whether to grandfather tenants still under the previous Ordinance make wholesale changes to the detriment of homeowners and other stakeholders?
- 5) **Ordinance is Penal and Redundant** building Inspectors in Bloomfield have indicated conditions in Bloomfield apartment complexes are in compliance. The new ordinance establishes a compliance requirement that is redundant to the existing inspection process and will result in longer apartment vacancies, reducing the market's access to apartments.
- 6) **A Costly Ordinance** the new staff and legal expenses associated with this Ordinance will create a costly new bureaucracy in Bloomfield that has not been modeled for public review.
- 7) **Vacancy Decontrol is Essential to Upkeep** most apartment complexes under rent control in Bloomfield were built prior to 1970 - and many were built prior to 1940 - and require substantial renovation and upkeep, in particular when tenancies turn over. Without vacancy decontrol there will be no resources to use for improvements to the apartment complexes.
- 8) **Rent Control Discounts Are Subsidized by Single Family Homeowners** As the value of the apartment buildings reduce, so will the taxes collected from them and the impacts on neighboring single family homeowners. Homeowners are not protected from increases in the taxes and costs associated with upkeep of their homes. Why would it be expected of property owners that they would not pass along the cost of these increases to tenants?
- 9) **Unintended Consequences** this ordinance will definitely result in unintended consequences, such as property tax appeals from apartment owners whose units have been devalued. A less stringent Ordinance in Teaneck resulted in tax appeals on \$97 million in ratables last year alone. Bloomfield is much larger than Teaneck and will be far more impacted. Reductions of property taxes from multi-family buildings will result in increases for single-family