

## #1296

### **ORDINANCE OF THE TOWNSHIP OF HADDON, COUNTY OF CAMDEN AND STATE OF NEW JERSEY REPEALING AND REPLACING CHAPTER 189 OF THE CODE OF THE TOWNSHIP OF HADDON, ENTITLED “RENT CONTROL” AND AMENDING CHAPTER 111, ENTITLED “FEES”**

**WHEREAS**, the Township of Haddon (“Township”) is a municipal entity organized and existing under the laws of the State of New Jersey and located in Camden County; and

**WHEREAS**, Chapter 189 of the Township Code establishes rent control guidelines and a rent control board and sets forth limited rules and regulations generally governing the implementation, continuation and termination of rent control within the Township of Haddon; and

**WHEREAS**, Chapter 189 of the Township Code was adopted in 1983 and has not been the subject of any substantive amendment since that time; and

**WHEREAS**, the Governing Body has determined that Chapter 189, in its current form, fails to contain sufficient guidelines for the benefit of the Rent Control Board and landlords and tenants subject to rent control thereunder; and

**WHEREAS**, the Governing Body has determined that it is in the best interests of the citizens and residents of the Township, and especially those subject to the rent control provisions of Chapter 189, to establish clear, fair and reasonable guidelines and procedures for matters brought to the attention of the Rent Control Board; and

**WHEREAS**, pursuant to N.J.S.A. 40:48-2, the Governing Body is authorized to enact and amend ordinances as deemed necessary for the preservation of the public health, safety and welfare and as may be necessary to carry into effect the powers and duties conferred and imposed upon the Township by law; and

**NOW, THEREFORE, BE IT ORDAINED** by the Mayor and Board of Commissioners of the Township of Haddon, County of Camden, and State of New Jersey, as follows:

**SECTION 1:** Chapter 189 of the Code of the Township of Haddon, entitled “Rent Control,” is hereby repealed in its entirety and replaced with a new Chapter 189, entitled “Rent Control” as follows:

#### **Chapter 189. Rent Control.**

##### **Article I. Policy; Definitions.**

###### 189-1 Policy.

- A. The Township of Haddon enacted a rent control ordinance on November 1, 1983, to address a housing emergency within the Township created by housing demolitions, deterioration of existing housing stock, insufficient new housing construction, increased cost of construction and maintenance and growing inflation which in turn caused high rents and a substantial and increasing shortage of rental housing accommodations for families of low and moderate income.
- B. The Governing Body has determined that a housing emergency continues to exist within the Township as a result of continued deterioration of existing housing stock, insufficient new housing construction and a higher than normal demand for rental housing accommodations for families of low and moderate income created by the global economic downturn and high unemployment rates.
- C. During a housing emergency, residential tenants fear being evicted without just cause and are discouraged from complaining about exorbitant rent increases or continued deterioration of housing conditions which fears perpetuate harmful living conditions.
- D. The existing housing emergency makes it necessary for the Township to regulate, control and stabilize rents and warrants legislative action by the Governing Body

to protect the public health, safety and general welfare of the citizens and residents of the Township of Haddon.

- E. Such legislative action shall serve the interests of tenants, landlords and the Township of Haddon as follows:
- (1) by assuring tenants' occupancy of well-maintained and improved housing at fair and reasonable levels of rent;
  - (2) assuring landlords rental income that will yield a fair return on their investments while affording them an opportunity to make expenditures designed to upgrade the quality of the housing stock; and
  - (3) assuring the fiscal well-being of the Township to the extent that such well-being is based on the taxing of real property, the welfare of tenants and landlords, the preservation of sufficient good quality housing and the enhancement of the neighborhoods within the community.
- F. Except as otherwise set forth, it is the intent of this Chapter to exercise control over rents in existing housing stock to the maximum extent, excluding control over federally and state subsidized housing.

#### 189-2. Definitions.

As used in this Chapter, unless otherwise required by the context, the following terms shall have the meanings indicated:

#### AVAILABLE FOR RENT TO TENANTS

Refers to dwelling units or housing space fit for habitation, as defined by the statutes, codes and ordinances in effect in the State of New Jersey, County of Camden and Township of Haddon, and offered for rent, whether occupied or unoccupied.

#### BASE RENT

The rent legally enforced as of the effective date of this Chapter. "Base rent" shall include the legally enforced rent and any permitted increases as provided for in this Chapter, including but not limited to Consumer Price Index increases and hardship increases but excluding capital improvement increases.

#### BOARD

The Haddon Township Rent Control Board established by this Chapter.

#### CAPITAL IMPROVEMENT

A permanent improvement that is reasonably expected to last more than five (5) years and must be subject to allowances for depreciation under the Internal Revenue Code. The term "capital improvement" shall mean that improvement, addition or contribution which materially adds to the value or utility of the property or appreciably prolongs its useful life, as opposed to a repair which maintains the property in an ordinarily efficient operating condition such as normal and regular maintenance.

#### COMMERCIAL USE

Any use which is primarily for business activity, such as retail, wholesale marketing, office, warehouse or any similar nonresidential activity.

#### CONSUMER PRICE INDEX or CPI

The consumer price index (all items) for that region of the United States of which the Township of Haddon is a part which is published periodically by the United States Department of Labor, Bureau of Labor Statistics.

#### DWELLING or DWELLINGS

Any building or structure, and the land appurtenant thereto, which contains dwelling units or housing space rented or offered for rent to one or more tenants or family units. In the case of apartment complexes where federally subsidized units are mixed with unsubsidized units, only those units which are unsubsidized are subject to this Chapter. For purposes of this Chapter, dwelling or dwellings do not include public housing and dwelling space in any motel, hotel or any other premises primarily serving transient guests and all multiunit dwellings that are newly constructed and rented for the first time after the effective date of this Chapter.

#### DWELLING UNIT or DWELLING UNITS

Any room or rooms, suite, flat, apartment, condominium or cooperative unit located within a dwelling as defined in this Chapter, whether furnished or unfurnished, which is occupied or intended, arranged or designed to be occupied for dwelling purposes by one or more persons, together with all privileges, services, furnishings, furniture, equipment, facilities and improvements connected with the use or occupancy thereof. For purposes of this Chapter, "efficiency apartments" constitute dwelling units.

#### GOVERNING BODY

The Board of Commissioners of the Township of Haddon.

#### GROSS MAXIMIZED ANNUAL INCOME

All income resulting directly or indirectly from the operation of housing space and the dwelling, including but not limited to all rent received or collectible from an arm's-length transaction, the true economic rent in the case of a less than arm's-length transaction, the landlord's share of interest on security deposits, late fees, pet fees, parking fees, pool fees, key charges, finder's fees, amounts realized from successful tax appeals, income from rebates, capital improvements, surcharges, heating fuel surcharges, rent increases and hardship increases computed in accordance with the provisions and limitations of this Chapter.

#### HOUSING SERVICES

Services provided to a tenant in a dwelling unit or housing space as part of the rent charged to the tenant. Housing services include, but are not limited to, the provision of electric power, heat, hot and cold water, elevator service (where applicable), air conditioning (where applicable), storm windows and screens, superintendent services (where applicable), kitchen, bath and laundry facilities and privileges, refuse removal, furnishings, parking and any other benefit, privilege or facility connected with the use or occupancy of any proportionate part of the dwelling or services provided to common facilities of the building or dwelling in which a dwelling unit is contained, including repairs, replacements, painting and general maintenance thereof.

#### HOUSING SPACE

A dwelling unit as defined above.

#### HOUSING STATE OF EMERGENCY

A vacancy rate of housing space of less than 10% or as the state shall provide if a lesser percentage.

#### LANDLORD or LANDLORDS

Any person, persons, organization(s), corporation(s), partnership(s) or like entity(ies) which own, lets or sub-lets a dwelling or dwelling units as defined herein, including any agent or successor thereof. For purposes of this Chapter, any person entitled to receive rent for the use and occupancy of a housing space is considered to be a landlord hereunder.

#### NET OPERATING INCOME

Gross maximized annual income less reasonable and necessary operating expenses.

#### PERIODIC TENANCY

Any month-to-month tenancy or any tenancy at will or sufferance or any tenancy having a term of less than one year.

#### REASONABLE AND NECESSARY OPERATING EXPENSES

All actual expenses incurred and paid by a landlord for a dwelling, as defined in this Chapter, during the period reflected in income computed in accordance with the provisions and limitations of this Chapter, excluding debt service costs and depreciation charges.

#### RENT

Any price charged for the use and occupancy of a housing space, including any bonus, benefit, gratuity or other charge, no matter how categorized, which is demanded or received by the landlord and paid by the tenant for the use of any service in connection with the housing space such as, but not limited to, monies demanded or paid for parking, heat and utilities, pets, use of furniture and subletting. In the event that rent is paid upon some interval other than one month, then the monthly rent shall be calculated by apportioning the rent so as to determine the sum for the term of one month.

#### ROOM or UNIT SPACE

For purposes of this Chapter, all rooms and rents hereunder shall be calculated by room or unit space as follows:

- A. Living room: one room/unit space.
- B. Bedroom: one room/unit space.
- C. Kitchen and dining area, not more than 200 square feet: one room/unit space.
- D. Full dining room: one room/unit space.
- E. Bath: 1/2 room/unit space.

#### SUBSTANTIAL COMPLIANCE

When the dwelling and dwelling units are essentially in compliance with state, local and municipal health, safety, housing and fire codes, including but not limited to the regulations for Maintenance of Hotels and Multiple Dwellings, N.J.A.C. 5:10-1.1, et seq.

#### TENANT or TENANTS

Any person or persons who lease, sublease or otherwise are entitled to use and occupy a dwelling unit or housing space, as defined above, under the terms of a rental housing agreement.

#### VACANCY RATE OF HOUSING SPACE

That percentage of housing space available for rent to tenants which is unoccupied and offered for rent.

### **ARTICLE II. Rent Control Board; Board Secretary; Rent Control Officer.**

189-3. Establishment of Rent Control Board; Board Powers.

- A. There is hereby continued in and for the Township of Haddon a Rent Control Board (the "Board"), which is comprised as follows:
  - (1) The Board shall consist of five members and four alternates appointed by resolution of the Governing Body. The term of office for each member and alternate shall be three years;
  - (2) The Board members shall be constituted as follows: one member shall be a tenant and one alternate shall be a tenant who can only replace the tenant representative on the Rent Control Board; one member shall be a landlord and one alternate shall be a landlord who can only replace the landlord representative on the Rent Control Board; three members and two alternates shall be residents who are neither a landlord nor a tenant. The two alternates who are neither landlords nor tenants can only replace members who are neither landlords nor tenants;

- (3) The Board members shall select by majority vote a Chairman and Vice Chairman, who shall be resident members. One of the Commissioners of the Governing Body may be appointed to the Rent Control Board but shall not serve as Chairman or Vice Chairman;
  - (4) All Board members shall be residents, taxpayers or duly authorized representatives of taxpayers of the Township of Haddon and shall be not less than 18 years of age.
  - (5) Board members shall be compensated for their service to the Township at rate(s) to be set, and amended from time to time, by Resolution of the Governing Body.
- B. The Board shall have all necessary powers in order to perform its functions and duties in accordance with this Chapter, including but not limited to the following powers:
- (1) to establish procedures and to conduct surveys for the determination of the vacancy rate of housing space in the Township of Haddon;
  - (2) to adopt, revise and repeal rules and regulations as it deems necessary to carry out the purposes of this Chapter, which rules and regulations shall have the force and effect of law, provided that such rules and regulations as adopted, amended, revised or repealed shall be filed with the Clerk of the Township of Haddon;
  - (3) to supply information and assistance to tenants and landlords and to assist them in complying with the provisions of this Chapter;
  - (4) to establish rules and procedures for the conduct of all hearings held by the Board;
  - (5) to hire such employees or agents, or both, as may from time to time be authorized by resolution of the Governing Body, on such terms and conditions as are designated by the Governing Body for salaries or wages;
  - (6) to hold hearings and adjudicate applications from landlords for rent increases or additional rents as hereinafter provided and to hold hearings and adjudicate applications and complaints from tenants as hereinafter provided, and give all parties and interested persons reasonable opportunity to be heard before making any determinations; and
  - (7) to administer oaths, examine witnesses and by subpoena compel the attendance and the testimony of witnesses and the production of books, papers, documents or tangible things.

189-4. Conduct of Rent Control Board.

- A. The Board shall conduct regular meetings six (6) times per year in the months of January, March, May, July, September and November. Special meetings may be called as required but only upon the consent of a majority of the Board members regarding the date(s) and time(s) thereof. All meetings of the Board, whether regular or special, shall be noticed and conducted in accordance with the Open Public Meetings Act, N.J.S.A. 10:4-6, et seq.
- B. Three members of the Board, including its Chairman, shall constitute a quorum for all business conducted by the Board. The Board may not act except upon a majority vote of the members in attendance at any one meeting.
- C. The Rent Control Board Secretary shall maintain and keep at his or her office the agenda and/or docket for each meeting and the minutes of all meetings of the Board.

- D. No member of the Board shall be permitted to act on any matter in which he or she has, either directly or indirectly, any personal or financial interest.
- E. Vacancies on the Board shall be filled by the Governing Body who shall appoint a person to fill a vacancy for the remainder of the term of the vacant seat. The replacement for any seat filled by the Governing Body shall comply with the requirements of §189-3(A)(2).
- F. Any Board member who shall, during a calendar year, be absent for more than two (2) consecutive regularly scheduled meetings of the Board shall be subject to removal by the Governing Body in accordance with the following procedures:
  - (1) The Rent Control Board Secretary shall be required to report to the Governing Body more than two (2) consecutive absences in the calendar year by any member of the Board;
  - (2) when requested to do so by the Governing Body, the member of the Board who missed more than two (2) consecutive regularly scheduled meetings during the calendar year shall submit a written explanation of his or her absences;
  - (3) in the event the Governing Body determines preliminarily that there have been more than two (2) consecutive absences from regularly scheduled meetings by any appointed member and that the absences are without “reasonable justification,” as defined herein, the Governing Body shall have the right to adopt a resolution to institute removal proceedings. For purposes of this Section, “reasonable justification” shall mean illness of the Board member or immediate family member of the Board member, or exigent business or personal responsibilities which rendered it impracticable for the Board member to be in attendance;
  - (4) removal proceedings instituted by the Governing Body in accordance with this Section shall be conducted as follows:
    - (a) a written notice of intention to remove shall be mailed to the Board member at his or her home address. The notice shall advise the Board member that he or she has a right to a hearing before the Governing Body, the right to be represented by counsel and the right to cross-examine witnesses and present witnesses on his or her behalf. The notice shall set forth a date for a proposed hearing and shall notify the Board member that if he or she wishes to contest the removal, a written notice of intention to contest must be submitted to the Rent Control Board Secretary and the Township Clerk at least ten (10) days prior to the scheduled hearing. The notice to the Board member shall list the dates of the regularly scheduled meetings from which the Board member is alleged to have been absent;
    - (b) on the date set forth in the notice sent to the Board member in accordance with this Section, the Governing Body shall conduct a hearing in executive session during which hearing the Board member shall have a right to participate in the proceedings, either personally or by counsel, and shall have a right to examine witnesses and present evidence;
    - (c) upon conclusion of all the evidence, the Governing Body shall make findings of fact and conclusions as to whether the Board member shall be removed and shall render a final decision with respect to same.

189-5. Rent Control Board Secretary.

There is hereby continued the position of Rent Control Board Secretary, which position shall be filled in accordance with § 189-3B(5) of this Chapter. The duties of the said Rent Control Board Secretary, by way of illustration, but not limitation, shall be:

- A. to serve as liaison among the tenants, landlords and the Board;
- B. to supply information and assistance to landlords and tenants and to help them comply with the provisions of this Chapter;
- C. to keep and maintain an accurate record of the procedures of the Board and to enter the same in the minutes;
- D. to receive all applications and complaints and to process the same for determination by the Board;
- E. to submit to the Governing Body a report of the activities of the Board no less than two (2) times per calendar year;
- F. to accumulate and maintain such statistics as may be necessary to carry out the function of the Board;
- G. to determine mathematically the appropriateness of any annual automatic rent increase request;
- H. to perform such other functions necessary and appropriate for the proper implementation of this Chapter; and
- I. to carry out such other and further duties as shall be assigned by the Board Chairman, the Board and/or the Governing Body.

#### 189-6 Rent Control Officer.

There is hereby continued the position of Rent Control Officer (Construction Code Official and/or Subcode Official). Such Rent Control Officer shall be appointed by the Governing Body and shall serve at the pleasure of same. The duties of the Rent Control Officer, by way of illustration but not limitation, shall be to:

- A. enforce the provisions of this Chapter against any person or entity by filing complaints, issuing cease and desist orders and such other actions as are reasonably appropriate to bring about compliance with this Chapter. The Solicitor to the Board shall serve as the attorney for and represent the Rent Control Officer in all matters except with regard to the enforcement of the Regulations for the Maintenance of Hotels and Multiple Dwellings; and
- B. randomly inspect dwellings covered by this Chapter to determine whether there are violations of the Regulations for the Maintenance of Hotels and Multiple Dwellings. Any violations of local and state health, building and fire codes shall be reported to the Rent Control Board. The Township of Haddon adopts the Regulations for the Maintenance of Hotels and Multiple Dwellings as its own ordinance, including the penalty provisions thereof. The Rent Control Officer shall have the authority, in conjunction with the Commissioner of the Department of Community Affairs, to enforce any provisions of the Regulations for the Maintenance of Hotels and Multiple Dwellings.

### **Article III. Rent Control Established; Rent Increases; Rent Surcharges; Credits to Tenants.**

#### 189-7. Rent Control Established.

- A. Establishment of rent for any housing space governed by this Chapter shall be subject to and within the limitations set forth in the terms and provisions of this Chapter and it shall be unlawful for any landlord of such housing space to

demand, receive or collect any rent in excess of that provided for in this Chapter except increases as may be granted pursuant hereto.

- B. The following housing spaces or dwelling units shall not be subject to the terms and provisions of this Chapter regarding rent control:
  - (1) any housing space or dwelling unit rented or offered for rent for the first time after the effective date of this Chapter;
  - (2) any housing space or dwelling unit which receives an initial Certificate of Occupancy after the effective date of this Chapter; and
  - (3) any housing space or dwelling unit constructed in a redevelopment area in accordance with the provisions of the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1, et seq., except where otherwise provided in any ordinance designating an area in need of redevelopment or in a redeveloper's agreement entered into pursuant thereto.
- C. The Board shall report quarterly, in writing, to the Governing Body the vacancy rate of housing space as determined in accordance with the information reported by landlords pursuant to §189-14 and §189-16.
- D. In the event the quarterly report required by Subsection C above discloses the existence of a housing state of emergency, the control provisions of this Chapter shall be operative and in full force and effect. If the quarterly report by the Board shows that a housing state of emergency no longer exists, then the control provisions of this chapter shall not be in effect until the quarterly report of the Board shall again disclose the existence of a housing state of emergency.
- E. Notwithstanding anything in this Chapter to the contrary, the registration, registration fee, reports and filing requirements of this Chapter shall remain in full force and effect whether or not there exists a housing state of emergency as defined herein.

#### 189-8. Base Rent; Unlawful Rent Increases.

- A. The base rent for rental of housing space and services in dwellings to which this Chapter is applicable is hereby established at the rent level received by the landlord as of the date this Ordinance becomes effective and no rental increase shall thereafter be instituted except in accordance with this Chapter.
- B. It shall be unlawful for any landlord of a multiple-dwelling housing space to demand, receive or collect any rental increase more than once in any twelve (12) month period; to demand, receive or collect any rental increase in excess of the limitations established in this Chapter; or to otherwise violate any provision of this Chapter, provided, however, that it shall not be unlawful for any landlord of a housing space to demand, receive or collect any rental increase which is otherwise approved and/or authorized in accordance with this Chapter.

#### 189-9. Annual Rent Increases.

Establishment of annual rent increases for any housing space or dwelling unit subject to the provisions of this Chapter shall be determined in accordance with and pursuant to the following procedures:

- A. At the expiration of a lease or the termination of a periodic tenancy, no landlord may demand, receive or collect a percentage increase in rent for any housing space which is greater than the percentage increase established by the Rent Control Board in September of each year for the next calendar year. The Board shall establish the standard rent increase by averaging the increases in the Consumer Price Index (CPI) for urban wage earner and clerical workers as supplied by the United States Department of Labor for the Philadelphia/New Jersey geographical region for a twelve-month period beginning in July of the

previous year and ending June of the year in which the Board is making its determination. No such annual rent increase shall exceed 4%.

- B. No landlord of a housing space or dwelling unit subject to the provisions of this Chapter shall be entitled to demand, receive or collect an annual rent increase until the following procedures have been followed:
- (1) at least 60 days prior to the date of the proposed annual rent increase, the landlord shall submit a written application to the Rent Control Board Secretary and shall supply a copy of same to every tenant effected by the proposed increase;
  - (2) the application required by this Section shall set forth the unit or units for which the annual rent increase is being sought, the date on which the proposed rent increase would become effective and the amount established by the Rent Control Board for the new rental period;
  - (3) the Rent Control Board Secretary shall review the application to verify the calculations contained in the application and the propriety and accuracy of the consumer price indicators used in the calculations. If either the calculations or the consumer price indicators, or both, used in the application under review are erroneous, the Rent Control Board Secretary shall recalculate the allowable rent increase, if any; and
  - (4) the Rent Control Board Secretary shall notify the landlord, in writing, within 15 days of the date of the receipt of the application whether the proposed rent increase is accurate or, if the proposed rent increase was inaccurate, of the recalculated allowable rental increase, as the case may be.
- C. Except for hardship increases and capital improvement increases authorized in accordance with this Chapter, any rental increase imposed, demanded, received or collected at a time other than at the expiration of a lease or termination of a periodic tenancy shall be void. Any rent increase in excess of that authorized by the provisions of this Chapter shall be void. No landlord shall increase the rent to any tenant more than once in any twelve (12) month period, except in the case of landlord hardship increases pursuant to §189-10.
- D. The landlord shall remain in substantial compliance with the Regulations for Maintenance of Hotels and Multiple Dwellings (Chapter 10 of Title 5 of the New Jersey Administrative Code) and shall so certify. In the event that the landlord is not in substantial compliance with that regulation or this Chapter, or has not maintained the dwelling in accordance with the filed schedule of maintenance required by §189-15, no increase in rents shall be permitted under this or any other Section of this Chapter.
- E. Any rental increase granted hereunder shall go into effect in the first month following final disposition of the application for same. The effective date of an increase granted hereunder shall in no way alter the regular date of the annual increase for any tenant affected thereby, even if the effective date is different than the tenant's regular annual increase date.

#### 189-10 Increases in Rent Due to Landlord Hardship.

Whenever, during the existence of a housing state of emergency, a landlord shall determine that reasonable and necessary operating expenses (computed in accordance with the provisions of this Chapter) are greater than 60% of the gross maximized annual income of a housing space or dwelling unit in common ownership and operation by the same landlord, then such landlord may make application to the Board for an increase in rent on account of hardship.

- A. Hardship Application.

- (1) The landlord shall file a hardship application with the Board as provided in this Section, together with all certifications required herein, including a certification by the landlord and/or his agent to demonstrate that the landlord is entitled to an increase in rents based on hardship.
- (2) The application shall include the amount of increase and percentage of increase requested, together with all necessary information and documentation to support the request for a hardship increase, including but not limited to:
  - (a) documentation showing at least three (3) years of income and expenses;
  - (b) three (3) years of federal and state income tax returns;
  - (c) certified financial statements of the landlord; and
  - (d) such other books, records and reports as the Board shall request in order to properly consider the application.
- (3) At the time the landlord files a hardship application in accordance with this Section, the landlord simultaneously shall notify, in writing, all tenants affected by the hardship application that such application has been filed and is available to any tenant requesting the same.
- (4) A landlord's application filed pursuant to the requirements of this chapter shall be accompanied by an application fee as provided in Chapter 111, Fees.
- (5) Escrow deposit.
  - (a) A hardship application filed pursuant to this chapter shall be accompanied by an escrow deposit computed by multiplying the number of proposed affected housing spaces by \$5 per housing space, but in no event shall the escrow deposit be less than \$1,000;
  - (b) The total escrow deposit collected pursuant to Subsection A(5)(a) above shall be placed in an escrow account by the Township Clerk, to be applied to the payment of any services rendered by an accountant, auditor, real estate appraiser or other professional retained by the Board pursuant to the provisions of this Chapter to aid or assist the Board's review and consideration of a hardship application submitted pursuant to this Section; and
  - (c) The balance, if any, of the amount deposited in the escrow account after payment to such persons shall be returned to the party depositing the money in escrow upon final decision of the Board.

**B. Landlord Certification.**

In any application for an increase of rent on the basis of hardship, the landlord shall specifically certify that:

- (1) the dwelling and all housing space or dwelling units therein are in a safe and sanitary condition and in substantial compliance with all local and State Health and Building Codes. By way of verification as to compliance with the aforesaid codes, the applicant shall, within thirty (30) days of the date of filing of any application for relief pursuant to this Section, submit a report of inspection conducted by the Rent Control Officer. The aforesaid report of the Rent Control Officer shall set forth either that the dwelling or dwelling units are in substantial compliance with the Regulations for the Maintenance of Hotels and Multiple Dwellings or shall set forth the circumstances and regulatory provisions serving as the basis for noncompliance with the aforesaid regulations;

- (2) the landlord is in substantial compliance with all state and local laws pertaining to tenant's rights; and
- (3) all rentals collected and charges imposed, including those arising out of any non-residential use, result from arm's-length transactions.

C. Compliance by Landlord.

If, at any time during the course of consideration of an application for an increase in rent due to hardship pursuant to the provisions of this Section, the Board shall determine that the landlord is not in substantial compliance with any or all of the above, the Board may temporarily withhold further consideration of the application for a hardship increase until such time as the landlord has corrected any such deficiency. The time period for the Board to make a decision as set forth in Subsection F below will be extended if the Board makes a determination that the landlord is not in substantial compliance with the above provisions.

D. Gross Maximized Annual Income.

In computing gross maximized annual income under this Chapter, the following limitations shall apply in all cases:

- (1) income and expenses arising out of a non-residential use, including that for professional or commercial space, shall result from arm's-length transactions; and
- (2) no loss caused by a non-residential use may be considered.

E. Reasonable and Necessary Operating Expenses.

In computing reasonable and necessary operating expenses under this Chapter, the following limitations shall apply in all cases:

- (1) property taxes shall be limited to amounts actually paid, including those in escrow for appeal;
- (2) repairs and maintenance shall be reasonable and necessary;
- (3) legal and auditing expenses shall be limited to reasonable and necessary costs of the operation of the property and shall be itemized on the application; provided, however, that no legal expenses or auditing expenses shall be allowed as a deduction which do not directly result from the landlord-tenant relationship;
- (4) management fees shall be limited to actual services performed in the rental of residential housing space and shall not exceed 6% of gross maximized annual income;
- (5) salaries not included in management fees shall be limited to actual services performed and amounts for similar positions in the area, including rental value, if included in income and expenses and wages and benefits paid;
- (6) advertising expenses shall be limited to actual costs that are reasonable to ensure occupancy and personnel employment needs of the landlord;
- (7) utilities, including but not limited to gas, electric, water and oil, shall derive from arm's-length transactions and the landlord shall demonstrate that all reasonable efforts to conserve energy and fuels have been used;
- (8) insurance shall be prorated over the duration of any insurance policies and shall not include landlord's life, medical or other personal policies;

- (9) no penalties or fines of any kind, nor interest on such penalties and fines, shall be allowed;
- (10) no allowance shall be made for debt service (principal and/or interest) in the computation of operating expenses, except that as permitted by §189-11(F).

F. Public Hearing; Time of Decision.

- (1) the Board shall hold a public hearing within 45 days of receipt of a completed hardship application, or 30 days in the event of federal- or state-involved housing;
- (2) the Rent Control Board Secretary shall notify the landlord of the date of public hearing at least fourteen (14) days before the date set by the Board. At least ten (10) days before the hearing date, the landlord shall provide, in writing, notice of said hearing to all tenants affected by the hardship application;
- (3) if, due to no fault of the landlord, the Board cannot hear the application within 45 days and reach a determination 30 days thereafter, the landlord shall be entitled, upon notice to the tenants affected, to collect the amount requested, provided that the amount does not exceed 10% above the current rent. If the amount exceeds 10% above the current rent, the landlord shall be limited to only 10% until the determination has been reached by the Board; provided, however, that the Board may proceed to stay the increase by resolution if, in fact, the delay has been contributed to or caused by the conduct of the landlord or if the landlord agrees to such stay;
- (4) any increase paid by the tenant pursuant to Section (3) above shall be paid without prejudice, and if the Board determines that a lesser amount of increase or no increase should be allowed, the tenant paying the increase shall be permitted to an immediate deduction or offset against rents becoming due and owing equal to all excess rents paid after written notice to the landlord of the amount involved;
- (5) if, after a full hearing, the Board shall determine that the landlord is in full compliance with the provisions of this Chapter, it shall permit a rental increase sufficient to establish the sixty-percent relation of fair net operating income, and any increase granted under a fair net operating income formula shall be prorated to all of the units of housing space within the dwelling based upon the number of rooms per unit or unit space.

G. General Limitations.

- (1) A hardship increase shall not be for a period not less than one (1) year;
- (2) A hardship increase shall be paid in equal monthly payments for the term approved by the Board and shall be payable on the same date as the payment of the rental charge;
- (3) No more than one (1) hardship increase shall be granted in any one (1) twelve (12) month period except in demonstrated extraordinary circumstances beyond the landlord's control occurring subsequent to an approved hardship increase;
- (4) No hardship increase shall be granted for any housing space if the dwelling or any part thereof shall be subject to violations issued by any government agency prior to the filing of the application seeking the increase; provided, however, the Board may waive this provision upon a showing by the landlord that the landlord has attempted to rectify the

violation but has been unable to do so due to conditions beyond his reasonable control; and

- (5) A hardship increase shall not be considered rent for purposes of computing rent or rent increases under §189-8 or §189-9 nor for the computation of rental security deposits.

#### 189-11 Capital Improvement Surcharges.

##### A. When Application Required.

- (1) A property owner shall be entitled to recover 50% of the cost of a mandated capital improvement, as defined below. Upon completion of any mandatory capital improvement project, a landlord shall apply to the Rent Control Board which shall determine the true cost of such improvement and shall establish an amortization period. For purposes of this Section, a mandated capital improvement project shall be defined as a capital improvement mandated by any governmental agency or any of the following:
  - (a) wiring that substantially increases electrical capacity;
  - (b) new insulation that substantially improves energy efficiency;
  - (c) storm windows and doors which do not replace existing storm windows or doors;
  - (d) installation of a new heating plant that substantially increases energy efficiency; or
  - (e) installation of a complete new roof.
- (2) For any major capital improvement other than one as set forth in Subsection A(1) above, the landlord shall file with the Board an application for permission to charge tenants a capital improvement surcharge.
- (3) In order for any improvement to be considered a capital improvement for purposes of this Section, such improvement must be treated as a capital improvement on the landlord's federal income tax return, a certified copy of which shall be supplied to the Board either with the application as required in §189-11(B) below or upon request of the Board.

##### B. Application Requirements.

- (1) The landlord shall make application to the Board as provided in this Section, together with all certifications required herein, including a certification by the landlord and/or his agent to demonstrate that the proposed or completed capital improvement was necessary and that the projected or actual cost of same was the lowest reasonable cost for the proposed or completed improvement.
- (2) An application filed pursuant to this Section shall include the following:
  - (a) the total cost of the completed or proposed capital improvement;
  - (b) the number of years necessary to recover costs as claimed by the landlord for federal income tax purposes;
  - (c) the average annual cost of the improvement;
  - (d) the total number of rooms in the dwelling for which the capital improvement is required;

- (e) the total number of rooms or unit spaces occupied by the tenant;
  - (f) a certified true complete copy of the applicant's federal income tax return wherein such improvement is reflected or, if such improvement is made subsequent to the approval of the Board, the applicant shall supply to the Board at the time it is filed with the Internal Revenue Service a certified true complete copy of the first federal income tax return filed thereafter wherein such improvement is reflected;
  - (g) a certification executed by the landlord verifying that the landlord has signed contracts with such contractors as will perform the work or provide the services to complete the proposed improvement, subject only to approval of the landlord's capital improvement surcharge application by the Board;
  - (h) a completed application for a building permit, which shall be submitted to the Construction Official of the Township of Haddon, in the event that the capital improvement surcharge is granted by the Board;
  - (i) such other books, records and reports as the Board shall request in order to properly consider the application; and
  - (j) an application fee in the amount set forth in Chapter 111, "Fees."
- (3) Contemporaneously with or prior to the filing of an application for a capital improvement surcharge in accordance with this Section, the landlord shall notify, in writing, each affected tenant that such application has been or will be filed and is available to any tenant requesting the same; provided, however, that the notice required by this Section shall include the information required by Subsection B(2)(a)-B(2)(e) above.
  - (4) A landlord applying for a capital improvement surcharge shall certify that the landlord is not reducing, has not reduced and will not reduce maintenance in order to complete the capital improvement.

C. Computation of Capital Improvement Surcharge.

For purposes of calculating a capital improvement surcharge, the cost of such improvement shall be divided by the applicable cost recovery period, as stated above. The resulting average annual cost of such improvement shall be divided by the total number of rooms or unit spaces in the dwelling to arrive at the average annual cost per room or unit space, which amount shall be multiplied by the number of rooms/unit spaces occupied by the tenant to arrive at such tenant's share of any capital improvement surcharge. The capital improvement surcharge shall not exceed 10% of the tenant's pre-surcharge rent for each approved capital improvement.

D. Collection of Capital Improvement Surcharge; Surcharge Not Rent.

- (1) A landlord shall be allowed a surcharge for completed approved capital improvements for those projects completed in the year of application and the preceding two years.
- (2) All capital improvement surcharges shall be paid in equal monthly payments for the period of the surcharge on the same date as the payment of the rental charge. All tenants shall be notified of the calculations involved in determining the surcharge.
- (3) Upon approval of any capital improvement surcharge, the landlord may, subject to applicable law, immediately begin collecting from the tenants the approved surcharge.

- (4) No capital improvement surcharge shall be considered rent for purposes of computing the permissible annual rent increases provided for in §189-10 of this Chapter nor for the computation of rental security deposits.
- E. Upon completion of any capital improvement approved by the Board pursuant to this Section, the landlord shall certify to, and supply such documentation thereof as the Board shall reasonably request, all charges and costs incurred in completing the improvement and the Board shall require that any previously-approved surcharge be adjusted in accordance therewith.
- F. Any other provisions of this chapter notwithstanding, interest charged the landlord for an approved capital improvement shall be allowed as an operating expense under §189-10(E)(10).

189-12 Additional Permitted Surcharges.

- A. In addition to any rent increase or other surcharge permitted by this Chapter, and subject to the requirements of this Section, landlords shall be permitted to pass-through to tenants as an additional surcharge any increase in the following costs and/or expenses:
  - (1) property taxes;
  - (2) water and sewer charges, whether the assessments are charged by the Township or the Camden County Municipal Utilities Authority; and
  - (2) heating fuel costs.
- B. Any landlord seeking to impose a rent surcharge under this section shall be required to submit an application to the Board in accordance with Section C below and shall simultaneously give notice to the tenant(s) and the Rent Control Board Secretary of the calculations involved in computing the proposed property tax, water, sewer or heating fuel surcharge. The notice required by this Section shall include the following information:
  - (1) the present property tax, water, sewer or heating fuel cost, as the case may be, for the dwelling(s);
  - (2) the property tax, water, sewer or heating fuel cost, as the case may be, for the dwelling(s) for the previous year;
  - (3) the number of square feet of floor space within the dwelling(s);
  - (4) the area, calculated in square feet, of all common areas within the dwelling(s); and
  - (5) the property tax, water or sewer increase per square foot of floor space, or in the case of a heating fuel surcharge, the amount of the fuel increase per heated cubic foot of housing space for each dwelling unit;
  - (6) the proportionate share of said increase attributable to the common areas; and
  - (7) the proposed surcharge to be paid by each tenant, calculated as follows:
    - (a) the property tax, water or sewer increase per square foot of floor space, or in the case of heating fuel surcharge, the amount of the fuel increase per heated cubic foot of housing space for each dwelling unit occupied by the tenant; plus
    - (b) each such dwelling unit's proportionate share of the cost increase attributable to the common areas, calculated by dividing the total

area within the dwelling which is used as a common area available to all tenants by the number of dwelling units within the dwelling.

C. Applications for Permitted Surcharge; Procedure.

- (1) Pursuant to Sub-section B, above, every landlord must submit to the Board a written application for a surcharge permitted by this Section. Said application shall be served upon the Rent Control Office Board Secretary by certified mail, return receipt requested, or by personal delivery to the Rent Control Office Board Secretary. The landlord shall pay \$10 per unit per application. Every application for the imposition of such surcharges shall set forth the following:
  - (a) the property is in substantial compliance with all state and local building/maintenance codes. The landlord shall furnish a copy of the last report of inspection or shall request an inspection of the unit in conjunction with this application in order to demonstrate such compliance;
  - (b) the landlord is in compliance with the provisions of Article IV of this Chapter; and
  - (c) all taxes (if tax surcharge is sought) or water and sewer payments (if water and/or sewer surcharge is sought) have been fully paid and are current or that an appeal of such assessments has been filed, in which case a copy of the appeal also shall be submitted.
- (2) Upon receipt of an application for additional surcharge(s) under this Section, the Rent Control Board Secretary shall, within seven (7) days, notify the landlord of any deficiencies in the application. Said notification shall be sent to the landlord by certified mail, return receipt requested. The Board shall take no further action on the landlord's request to impose surcharges until such time as all deficiencies are satisfied. Once satisfied, the landlord shall receive written notice from the Rent Control Board Secretary that the application is under review, which notice shall be sent by certified mail, return receipt requested.
- (3) The Board shall review the landlord's calculations for any proposed surcharge, including the information required in Subsection B above, within 30 days from the date the landlord receives notice that the application is under review.
- (4) Such review shall be completed, and a decision shall be issued, at a meeting of the Board. In the event that the Board approves the requested surcharge(s), the landlord shall give notice to the tenants of said approval by ordinary mail and shall serve upon the Rent Control Board a sworn affidavit evidencing notice of the proposed surcharge on all tenants. The landlord shall thereafter forward to the Rent Control Board Secretary the original affidavit of service upon the tenants by certified mail, return receipt requested.
- (5) In the event the Board approves the application but determines the landlord's calculations are incorrect, the Board shall correct the calculations and determine the proper amount of the surcharge and shall approve the application at the adjusted amounts.

D. Effective Date.

An approval issued by the Board in accordance with this Section shall become effective within fourteen (14) days of service upon the Rent Control Board Secretary of the affidavit required in Subsection C(4) above.

E. Any permitted surcharge approved in accordance with this Section shall continue in effect until such time as there is a decrease in property taxes or a lowering of

the assessed evaluation of the property, a decrease in water and sewer charges or a decrease in heating fuel costs. In such case, the tenants shall be entitled to a credit in accordance with §189-13 of this Chapter.

F. General Limitations.

- (1) Property tax assessments, water and sewer assessments and heating fuel costs shall not be considered as a part of rent in calculating annual rent increases pursuant to §189-9 of this chapter.
- (2) Property tax assessments, water and sewer assessments and heating fuel costs shall not be used by any landlord as an expense in preparing a hardship application pursuant to §189-10 of this chapter.

189-13 Tenant Credits.

A. Credits for Reduced Assessments and Decreased Heating Fuel Costs.

Tenants of housing space or dwelling units subject to rent control pursuant to this Chapter shall be entitled to a credit against rent due and owing for decreases in property tax assessments, water and sewer assessments and heating fuel costs. Apportionment of a credit against rent required by this Section shall be calculated in the same manner as a permitted surcharge as set forth in §189-12(B)(6).

B. Rebates on Tax Appeals.

- (1) In the event that a tax appeal is taken by the landlord for taxes already paid and the landlord is successful in said appeal and taxes are reduced, the tenants of the affected dwelling unit(s) shall receive 75% of said reduction in the form of a rebate. The amount of each tenant's rebate shall be determined after deducting all reasonable expenses incurred by the landlord in prosecuting said appeal and shall be calculated in the same manner as described in §189-12(B)(6).
- (2) The landlord shall be deemed to have received his rebate upon his receipt thereof from the Township or upon the execution of any agreement with the Tax Assessor to credit the amount of the reduced taxes to any outstanding tax bill of the landlord.
- (3) The landlord shall provide the tenants written notice that they will be receiving a rebate within fourteen (14) days from when the landlord receives notice that the property tax appeal was successful or fourteen (14) days from the landlord's execution of an agreement with the Tax Assessor, whichever the case may be. The notice required by this Section shall include the amount of the rebate received by the landlord and the computation as to how much the tenant is entitled.
- (4) The amount due the tenant shall be forwarded to the tenant within thirty (30) days from the date landlord actually receives the rebate.
- (5) In the event that the landlord fails to forward the tenant's share of any property tax rebate within the designated period, the tenant may file a complaint with the Rent Control Board.

**Article IV Landlord Requirements.**

189-14 Landlord Registration; Information Required; Fee.

- A. Within thirty (30) days of the effective date of this Chapter, and to the extent not already completed, all landlords of housing space and/or dwelling unit(s) subject to the rent control procedures of this Chapter shall register with the Rent Control Board Secretary. Registration pursuant to this Section shall include the following information:

- (1) the full address of each dwelling being registered and the block and lot identification of the property;
- (2) the full legal name and current business address of the landlord and the owner, if not the same, of the dwelling and property being registered;
- (3) if the landlord and/or owner of the registered property is a partnership, corporation, limited liability company, joint venture or other form of business entity, the landlord shall supply:
  - (a) a copy of a current business registration certificate issued by the State of New Jersey, Division of Revenue for the business entity and/or other certificate or proof of good standing with said agency;
  - (b) an affidavit of ownership setting forth the full legal name and current address of all individuals or persons holding an ownership interest (of ten percent (10%) or more) in said business entity;
  - (c) the full legal name and current address of the business entity's registered agent and/or person duly authorized to accept service of process on behalf of the business entity;
  - (d) a verified listing of any membership in tenants' or landlords' associations held by any person identified in Subsections A(2) and A(3)(b) above;
  - (e) a verified listing of each said person's interests and dealings in real property, including but not limited to the ownership, sale or management thereof; and
  - (f) a verified listing of each said person's investment in, membership in or association with partnerships, corporations, limited liability companies, joint ventures and/or any other business entities engaged in the ownership, sale or management of real property during the previous three years;
- (4) the full legal name and current address of the manager of the registered property;
- (5) the full legal name and current address of the person designated by the landlord for the purpose of receiving and receipting all notices, complaints and demands;
- (6) the number of dwelling units within the registered property and the number of rooms or unit spaces within each;
- (7) the rent charged on each dwelling unit within the registered property as of the effective date of this Chapter;
- (8) a list of all vacant units and the date on which each such unit most recently became vacant;
- (9) the housing services provided to the occupants or tenants of the registered property; and
- (10) any other information required by the Board as designated on the registration form(s) which may be adopted by the Rent Control Board and provided by the Rent Control Board Secretary.

B. Upon initial registration of a dwelling pursuant to this Chapter, and for each year thereafter during the month of January, a landlord shall pay a registration fee to the Clerk of the Township of Haddon in the amount set forth in Chapter 111, Fees. The Clerk shall deposit said fee to the general use of the Township of

Haddon. Any fees remaining unpaid by a landlord as of January 31 of each year shall bear interest at the rate of 18% per annum.

#### 189-15 Property Maintenance.

- A. Every landlord subject to the requirements of this Chapter shall, at all times, maintain all dwelling and housing space and/or dwelling units in substantial compliance with the Regulations for Maintenance of Hotels and Multiple Dwellings (Chapter 10 of Title 5 of the New Jersey Administrative Code). On the first day of each quarter of the calendar year, all landlords shall so certify to the Rent Control Board Secretary, in writing, on a form prescribed by the Board.
- B. On the first day of each quarter of the calendar year, all landlords shall file with the Rent Control Board Secretary, and post in at least one conspicuous place in each building of every dwelling owned and/or managed by the landlord, a schedule of maintenance for each such dwelling.
- C. Pursuant to §189-6(B) of this Chapter, the Rent Control Officer shall inspect all dwellings covered by this Chapter to determine whether there are violations of the Regulations for the Maintenance of Hotels and Multiple Dwellings. The Rent Control Officer shall inspect any dwelling unit or housing space to which access is or has been granted by the tenant thereof. The inspection required by this Section shall be conducted at the discretion of the Rent Control Officer but in no event shall an inspection take place less than one (1) time per calendar year for each dwelling.
- D. In the event the Rent Control Officer determines that a landlord is not in substantial compliance with the Regulations for the Maintenance of Hotels and Multiple Dwellings, with this Chapter or has not maintained the dwelling or any dwelling unit or housing space therein in accordance with the filed schedule of maintenance, no increase in rents shall be permitted under any section of this Chapter.
- E. During the term of this Chapter, all landlords shall maintain the same standards of service, maintenance, furniture, furnishings and equipment in the housing space or dwelling unit as he provided or was required to provide by law or lease at the date the lease was entered into. Where services, care or maintenance or when the standards of service, maintenance, furniture, furnishings and equipment in the housing space or dwelling are not substantially maintained as specified in this Section, any tenant may file a complaint with the Rent Control Board pursuant to the procedures set forth in this Chapter, which complaint may include a request for reduction in the rent charged to the tenant.
- F. Tenants shall comply with a landlord's reasonable request for access to the tenant's dwelling unit for purposes of performing necessary maintenance or repairs and/or for performing repairs requested by the tenant. Evidence that a tenant willfully fails to permit a landlord to enter his/her housing space or dwelling unit between the hours of 8:00 a.m. and 5:00 p.m. of any weekday (Monday through Friday) where at least 48 hours' notice, in writing, has been given in order for the landlord to make repairs may be considered as an element of a violation of N.J.S.A. 2A:18-61.1(c).

#### 189-16 Records.

- A. Landlords shall be required to keep a rental log book of each housing space or dwelling unit in his or its dwelling. The rent log shall include the apartment number, name of tenant, rental paid and number of rooms or unit space. This log must be produced for all apartments upon request of the Rent Control Board. A landlord in violation of this section shall be subject to the punishment prescribed in §189-23 of this Chapter.
- B. On the first day of every month, all landlords shall report to the Rent Control Board Secretary, on forms designated by the Board, all housing space owned by such landlords, together with all housing space then available for rental to tenants.

- C. A landlord whose dwelling is controlled by the terms of this Chapter shall distribute an annual rent allocation statement to each tenant on the tenant's anniversary date. The rent allocation statement form, to be promulgated by the Board, will be available to property owners in the Rent Control Board Secretary's office. The annual rent allocation statements are to be maintained by the landlord and must be made available to the Rent Control Board upon request.
- D. All landlords shall produce for inspection by the Board, on written notice, all account books, ledgers, depreciation schedules and copies of income tax returns and such other documentation as may be reasonably required by the Board in the performance of its functions and duties as prescribed by this Chapter.

**Article V Limited Vacancy Decontrol.**

189-17 Limited Vacancy Decontrol.

The provisions as set forth in this Article shall be known and defined as "Limited Vacancy Decontrol."

189-18 Vacant Housing Space.

- A. Notwithstanding any limitations upon permissible rent increases under any other provision of this Chapter, upon the voluntary, un-coerced vacation of any housing space or dwelling unit the rental increases of which are controlled in and by this Chapter, the landlord shall have the right to fix the rent for such vacated housing space at such sum as he deems appropriate, except as is otherwise provided in this Article.
- B. Once vacant housing space has been rented again, the new rent will become the legal base rent from which increases thereafter will be determined and the landlord shall immediately be subject to all of the other terms and provisions of this Chapter with respect to such dwelling unit, including but not limited to limitations upon the maximum amount of increases of rent, unless and until such housing space shall again become vacant.
- C. The limitations of this Section shall not apply to any vacant housing space which is rented by a tenant who rented any other housing space from the same landlord immediately prior thereto. Accordingly, such housing space shall continue to be subject to all terms and provisions of this Chapter. For the privilege of moving from housing space occupied by a tenant to another housing space owned by the same landlord, the landlord may charge the tenant a transfer fee, which fee shall approximate the landlord's costs for preparing the unit of housing space into which the tenant shall move, provided that such transfer fee shall not exceed one month's rent of the unit of housing space into which the tenant shall move.

189-19 Certification of Non-Coercion; Landlord's Statement.

- A. In order for the landlord to qualify for a limited vacancy decontrol rent increase, the landlord shall file with the Rent Control Board Secretary a written statement signed by the vacating tenant, certifying to the Board that the landlord has not, in any way, harassed or pressured the tenant into vacating the housing space and that the vacation of such housing space was a voluntary act on the part of the tenant. The certification required by this section shall not be required in order for the landlord to qualify for the limited vacancy decontrol increase if:
  - (1) the increase does not exceed the total of all permissible increases authorized by any other provisions of this Chapter;
  - (2) the tenant has moved from the housing space without notice to the landlord;
  - (3) the housing space has been vacated pursuant to a judicially mandated eviction; or

- (4) the tenant has refused to sign such certification and, upon appeal to the Rent Control Board by the landlord, the Board has found that such refusal was unwarranted and that no coercion was exerted by the landlord upon the vacating tenant.
- B. Upon the subsequent rental of any housing space vacated in accordance with this Article, the landlord shall file a sworn statement with the Board certifying as follows:
- (1) the housing space (unit) and building numbers or designations of such housing space;
  - (2) the monthly and/or term rent paid by the vacating tenant;
  - (3) the maximum rent increase which would be permissible under any other provision of this Chapter;
  - (4) the number of days such housing space remains vacant;
  - (5) the rent agreed to by the new tenant for such apartment (a complete copy of the lease shall be attached to the statement); and
  - (6) the vacation of such housing space was the voluntary act of the vacating tenant and that such vacation was not the result of landlord's harassment or pressure upon such vacating tenant (a signed statement from the vacating tenant setting forth same shall be attached).

#### 189-20 Right of Appeal; Tenant Complaint.

In the event a tenant refuses to sign the certification required by Subsection A above, the landlord may file an appeal and/or the tenant may file a complaint with the Rent Control Board for a determination of whether the tenant's vacation of a dwelling unit was voluntary. An appeal or complaint pursuant to this Section shall be filed, served and heard in accordance with the provisions of Article VII of this Chapter.

#### 189-21 General Requirements.

- A. The Rent Control Board Secretary shall submit monthly reports to the Board summarizing the housing space vacated during each month and the differences, if any, between the permissible rent increases in rent due to the application of this Article. Such monthly reports shall also include a statement of the number of complaints received by the Board from any tenant as pertains to that tenant's housing space wherein any such tenant has alleged coercion by the landlord for the purpose of forcing such tenant to vacate housing space.
- B. The landlord shall not be permitted to avail himself of these Limited Vacancy Decontrol provisions if the landlord has not filed and posted a current maintenance schedule for the dwelling and/or is not in substantial compliance with all other provisions of this Chapter and all other applicable federal, state or local laws, rules, regulations and/or ordinances respecting the operation, maintenance and control of rental housing.

### **Article VI Tenant Complaints; Violations and Penalties.**

#### 189-22 Tenant Complaints.

- A. Tenant may file a complaint with the Rent Control Board alleging that the landlord imposed an unauthorized or illegal increase in rent, failed to maintain the dwelling, failed to maintain the tenant's dwelling unit or violated any other provision of this Chapter or any other federal, state or local law, ordinance or regulation pertaining to matters governed by the Board. A complaint filed pursuant to this Section shall be accompanied by the fee set forth in Chapter 111, Fees.

- B. Upon receipt of a tenant complaint in accordance with this Section, the Board shall schedule a hearing and provide notice, in writing, of the date thereof to the tenant and landlord in accordance with Article VII of this Chapter. A hearing scheduled pursuant to this Article shall be conducted in accordance with the procedures set forth in Article VII.
- C. At a hearing conducted pursuant to this Section, the Board shall:
  - (1) determine the basis for the tenant's complaint and render a finding, which shall be recorded in the minutes of the meeting, wherein the Board shall sustain or overrule the tenant's complaint;
  - (2) if the Board sustains the tenant's complaint, it shall establish a schedule of credits or rent abatements, as necessary, to remedy any illegal rent increase charged to and collected from the tenant or, in the case of the landlord's failure to maintain or repair, shall find that the landlord has violated the provisions of this Chapter and shall direct the Rent Control Officer to issue a notice of violation pursuant to §189-23; and
  - (3) if the Board overrules the tenant's complaint and finds that the complaint was intentionally filed for the sole purpose of harassing the landlord, the tenant shall be responsible for the reasonable costs incurred by the landlord in defending the tenant's complaint.
- D. A tenant or landlord may file an appeal of any decision of the Board pursuant to §189-25.

189-23 Violations and Penalties.

- A. Any landlord or tenant who shall violate, whether willfully or not, any section, subsection or provision of this Chapter shall, upon conviction thereof, pay a fine not to exceed \$1,000 or be imprisoned in the county jail for a term not to exceed 90 days, or both, for each offense, in the discretion of the court.
- B. Each day a violation occurs or exists shall be considered a separate offense and shall be prosecuted accordingly.
- C. A violation affecting more than one dwelling unit or housing space shall be considered a separate violation as to each such dwelling unit or housing space.

**Article VII Procedure for Applications, Complaints and Hearings.**

189-24 Filing with Board Secretary; Notice of Hearing; Hearing; Processing Time.

- A. Any application, complaint or request for a hearing filed with the Board pursuant to any provision of this Chapter shall be submitted to the Rent Control Board Secretary, and notice of such application, complaint or request shall be given to the landlord and/or any and all tenants affected by same at least twenty-one (21) days prior to the meeting of the Board at which the application, complaint or request will be considered. Service upon tenants of the notice required by this Article shall be made by ordinary mail to each tenant's last known address.
- B. The Rent Control Board shall have fourteen (14) days from the receipt of an application, complaint or request for a hearing to determine if it is complete. After an application, complaint or request for a hearing is deemed complete, the Board shall have thirty (30) days to conduct a hearing regarding same.
- C. At any hearing conducted by the Board pursuant to this Chapter, all parties may have assistance in presenting evidence and developing their position from attorneys, legal workers, tenant union representatives or any persons designated by said parties.

- D. At the end of the hearing, the Board shall issue a decision, which decision shall be reduced to writing by the Rent Control Board Secretary and delivered, within thirty (30) days of the date of the hearing, to the landlord and the tenant via regular mail. The written decision required by this Section shall be delivered to the landlord at the business address shown on the landlord's last registration renewal and to the tenant at his/her last known address.
- E. An application, complaint or request for a hearing filed pursuant to this Chapter shall be accompanied by the fee set forth in Chapter 111, Fees.

189-25 Appeal of Board Decision.

- A. Any decision of the Rent Control Board issued as a result of a hearing held pursuant to any part of this Chapter may be appealed to the Governing Body by either the landlord or the tenant. All appeals filed pursuant to this Section shall be filed with the Township Clerk twenty (20) business days from the date of receipt of the Board's decision. In the event an appeal is filed in accordance with this Chapter, the parties of such appeal shall abide by the decision of the Rent Control Board until the issues raised by the appeal are finally adjudicated.
- B. The appealing party shall provide written notice, by ordinary mail, to all parties, as follows:
  - (1) If the landlord institutes the appeal, to all tenants who may be affected by the disposition of the appeal;
  - (2) If the tenant(s) institutes the appeal, to the landlord and the landlord's registered agent;
  - (3) To the Rent Control Board Secretary; and
  - (4) To all other parties having an interest in the outcome of the dispute.
- C. The notice of appeal required by this Section shall indicate the caption of the matter, the date, time and place of the hearing being appealed and a description of the nature of the matter on appeal.
- D. The filing and hearing of all appeals to the Governing Body pursuant to this Section shall be conducted in accordance with the Code of the Township of Haddon.

189-26 Discrimination Prohibited.

- A. No landlord shall discriminate in any manner against any tenant who lawfully exercises any right or privilege granted by this Chapter, nor shall any tenant exercise any right or privilege granted by this Chapter in bad faith in order to unlawfully harass any landlord or to gain any unlawful advantage over any landlord for any purpose not contemplated by this Chapter.
- B. No landlord or tenant shall terminate any tenancy or lease, except in accordance with the terms of the lease and/or N.J.S.A. 2A:18-53 et seq., during the pendency of any complaint or request for a hearing or prior to the determination of the Board thereon. Thereafter, a tenant or a landlord may terminate a tenancy or lease upon the refusal of the landlord or the tenant, as the case may be, to comply with any lawful determination of the Board.
- C. No landlord of housing space to which this Chapter is applicable shall serve a notice to quit upon any tenant or institute any action against a tenant to recover possession of the dwelling unit, whether by summary dispossession proceedings, civil action for the possession of the land or otherwise, as a reprisal for the tenant's efforts to secure or enforce any rights under his leasehold arrangement or under this Chapter. Such unlawful reprisal on the part of the landlord shall be punishable by the penalties set forth in §189-23.

189-27 Fees and Escrows.

- A. All applications, complaints, statements of objection or requests for a hearing before the Board shall be filed with the fee provided in Chapter III, Fees, which fee shall be added to the general revenues of the Township of Haddon.
- B. Except where otherwise stated herein, all applications, complaints, statements of objection or requests for a hearing before the Board shall be accompanied by an escrow deposit in the amount provided in Chapter III, Fees. If, after hearing the objection or hearing request, the Board shall determine that such objection or hearing request was substantially without merit or intended to be vexatious or frivolous, the escrow shall be awarded to the defending party to defray such defending party's costs of defense. If the Board determines that the objection or hearing request was not entered for any of the above reasons, the escrow deposit shall be returned to the person depositing it.

**Article VIII. General Provisions.**

189-28 Inconsistent Lease Provisions Prohibited.

No landlord shall require any tenant to execute any lease, contract or other like document which is in whole or in part inconsistent with this Chapter or purports to waive any of its provisions, and any provisions contrary to this Chapter contained in any lease, contract or other like document shall be deemed violative of this section and against public policy and void.

189-29 Copies of Code to be Distributed to Tenants.

A property owner whose housing space is controlled by the terms of this Chapter shall distribute a copy of this Chapter to each tenant within 30 days after the effective date hereof and, in the event of new tenancies, shall, within 30 days of the establishment of a landlord/tenant relationship, distribute a copy of this Chapter to each new tenant and maintain a ledger of said distribution.

189-30 Costs of Independent Consultants.

In the event that the Rent Control Board determines it is necessary to retain the services of an independent consultant or professional, including but not limited to an accountant, appraiser, engineer or attorney, the costs for the independent consultant's services shall be borne by the party who filed the application, complaint or request for hearing for which the independent consultant is required to permit the Board to adequately and competently consider the application, complaint or request.

189-40 Interpretation of Provisions.

This chapter, being necessary for the welfare of the residents of the Township of Haddon, shall be liberally construed to effectuate the purposes hereof.

**SECTION 2:** Section 111-22 of the Code of the Township of Haddon is hereby amended, revised and supplemented to delete existing Code section references and add new Code section references as follows:

<u>Section</u>	<u>Old Code Section Reference</u>	<u>New Code Section Reference</u>
§111-22(A)	§189-3	§189-14
§111-22(B)	§189-6	§189-10, §189-11 and §189-12
§111-22(C)	§189-9	§189-22 and §189-24

**SECTION 3:** Section 111-22 of the Code of the Township of Haddon is hereby amended, revised and supplemented by adding in Subsection "B", after the words "In accordance with

§189-10, an application for landlord hardship”, the following language: “, capital improvement surcharge or additional surcharge”.

**SECTION 4:** Section 111-22 of the Code of the Township of Haddon is hereby amended, revised and supplemented by adding in Subsection “C”, after the words “In accordance with §189-24, the filing fee for”, the following language: “tenant complaints,”.

**SECTION 5:** All Ordinances contrary to the provisions of this Ordinance are hereby repealed to the extent that they are inconsistent herewith.

**SECTION 6:** If the provisions of any section, subsection, paragraph, subdivision, or clause of this Ordinance shall be judged invalid by a court of competent jurisdiction, such order of judgment shall not affect or invalidate the remainder of any section, subsection, paragraph, subdivision, or clause of this Ordinance.

**SECTION 7.** This Ordinance shall take effect upon passage and publication according to law, but no earlier than April 24, 2012.

THE TOWNSHIP OF HADDON

BY: \_\_\_\_\_  
RANDALL W. TEAGUE, MAYOR

BY: \_\_\_\_\_  
JOHN C. FOLEY, COMMISSIONER

BY: \_\_\_\_\_  
PAUL C. DOUGHERTY, COMMISSIONER

**Adopted:**

ATTEST:

DAWN M. PENNOCK, RMC - TOWNSHIP CLERK

The foregoing Ordinance was introduced by the Mayor and Commissioners at the regular meeting held on May 15, 2012. This Ordinance will be considered for adoption on final reading and public hearing to be held on June 19, 2012 at 7:00 p.m. in the Meeting Room, Haddon Township Municipal Building, 135 Haddon Avenue, Westmont, New Jersey.

The purpose of this Ordinance is to authorize amendments to the existing Ordinance regarding Rent Control, codified in Chapter 189 of the Code of the Township of Haddon, to provide certain rights and impose certain obligations on landlords and tenants subject to rent control and to provide the Rent Control Board with procedures for certain applications and hearings. A copy of this Ordinance is available at no charge to the general public between the hours of 8:30 AM to 4:30 PM, Monday through Friday (Legal Holidays excluded), at the Office of the Township Clerk, Haddon Township Municipal Building, 135 Haddon Avenue, Westmont, New Jersey.