

**ORDINANCE NO. 2012-7**

**ORDINANCE AMENDING AND SUPPLEMENTING  
CHAPTER XII "OPEN HOUSING PRACTICES; RENT CONTROL;  
PROTECTED TENANCY", SECTION 12-2 "RENT CONTROL"  
OF THE REVISED GENERAL ORDINANCES OF  
OF THE BOROUGH OF RED BANK**

Ms. Horgan offered the following ordinance and moved its adoption on final reading:

**WHEREAS**, the Borough of Red Bank's Rent Leveling Board has adopted a resolution recommending certain changes to the Borough's Rent Control Ordinance, including changes to the calculation of the allowable rent increases under the Ordinance; and

**WHEREAS**, the Governing Body of the Borough of Red Bank has determined that it is in the best interest of the Borough to adopt the changes recommended by the Rent Leveling Board;

**NOW THEREFORE, BE IT ORDAINED** by the Governing Body of the Borough of Red Bank as follows:

**SECTION ONE:** The following sections of Section 12-2, "Rent Control" (the "Rent Control Ordinance") of Chapter XII of the Revised General Ordinances of the Borough of Red Bank, Monmouth County, "Open Housing Practices; Rent Control; Protected Tenancy", are hereby amended as follows (stricken text denote deletions, underlined text denote additions):

**Section 12.2 Establishment of Rent Increase.**

a. Establishment of rents between a landlord and a tenant in any dwelling shall hereafter be determined by the provisions of this Chapter. Any rental increase in excess of that authorized by the provisions of this Chapter shall be void.

b. Upon proper notice at the expiration of a lease or periodic tenancy, no landlord may request or receive an increase greater than ~~the product of eighty (80%) percent of the existing legal rent multiplied by the percentage increase, if any, in the Price Index published in the fourth month prior to the month in which the lease or periodic tenancy terminates over the Price Index published in the sixteenth month prior to the month of termination; except that in the case of housing space where tenants pay for heat, sixty-three (63%) percent of the existing legal rent shall be used in the above calculations.~~ All calculations shall be rounded to the nearest one hundredth, except that, ~~t~~The final rent resulting from the imposition of any increase provided hereunder shall be rounded to the nearest dollar. The establishment of the rental increase allowed by this section shall be subject to review by the Board at least every two (2) years. No landlord shall request or receive more than one rental increase per year per housing space unless said housing space is decontrolled by vacancy. By way of example, a rent increase computed in accordance with the provisions of this section shall be computed as follows:

**EXAMPLE**

Assuming a lease or periodic tenancy expires in April 2012 ~~April of 1984~~, use the CPI published in the fourth preceding month, or December of 2011 ~~1983~~ (a. below). Take the CPI published in the sixteenth month preceding the month of termination, or December of 2010 ~~1982~~ (b. below) and subtract b. from a. to calculate the percentage change in the CPI, take c. and divide it by b. (d. below).

Next, multiply the current rent ~~by eighty (80%) percent if landlord pays for heat or sixty-three (63%) percent if tenant pays for heat (e. below) by.~~ Then multiply d. by e. to arrive at the permissible CPI increase (f. below). Add f. and current rent (g.) to arrive at new rent (h. below).

a. CPI published in December <u>2011</u> <del>1983</del>	<u>248.307</u> <del>293.9</del>
b. CPI published in December <u>2010</u> <del>1982</del>	<u>241.874</u> <del>283.6</del>
c. Difference in CPI	<u>6.433</u> <del>10.3</del>
d. Percentage change in CPI <del>6.433 10.3</del> divided by <u>241.874 283.6</u>	= <u>.0265 .03</u>
e. <del>.80 (if heat supplied) multiplied by \$400.00 (current rent)</del>	= <del>400.00</del>
f. Permissible increase is \$400 multiplied By <u>.0265 .03</u>	= <u>10.60 12.0</u>
g. Plus current rent	+ <u>400.00</u>
h. New rent is (rounded to nearest dollar)	<u>411.00</u> <del>412.00</del>

#### **12-2.6 Rent Leveling Board; Powers.**

The Rent Leveling Board is hereby granted, and shall have and exercise, in addition to other powers herein granted, all the powers necessary and appropriate to carry out and execute the purposes of this Chapter, including but not limited to the following:

- a. To issue and promulgate such rules and regulations as it deems necessary to implement the purposes of this Chapter, which rules and regulations shall have the force of law until revised, repealed or amended by the Board in the exercise of discretion, providing that such rules are filed with the Borough Clerk.
- b. To supply information and assistance to landlords and tenants to help them comply with the provisions of this Chapter.
- c. To hold hearings and adjudicate applications from landlords for additional rental and surcharges.
- d. To hold hearings and adjudicate applications and complaints from tenants for reduced or improper rentals. The Board shall give both landlord and tenant reasonable opportunity to be heard before making any determination.
- e. To issue a written advisory opinion as to any issue of jurisdiction with regard to the Board hearing any future matter. Any application or request for an advisory opinion regarding jurisdiction shall be made in writing by a person with interest in the subject matter of the requested opinion. Notice to other interested parties shall not be required by the applicant. The Opinion of the Board shall not be binding, but shall be advisory in nature and provide guidance for future actions, if necessary.
- f. To honor settlements reached between a landlord and a tenant regarding any complaint filed before the Board by either party. However, the Board will not judge such settlement except to the extent that it will not honor any settlement agreement between a landlord and tenant in which the tenant agrees to a rent higher than that allowed by this Ordinance. The Board will honor written settlements or settlements on the record before the Board on complaints that do not violate this Ordinance and will allow enforcement of any such settlement before the Board.

#### **12-2.9 Standards of Service.**

During the term of this Tenancy Chapter, the landlord shall maintain the same standards of service, maintenance, furniture, furnishings and equipment in the housing space and dwelling as he provided or was required to do by law or lease at the date the lease was entered

into. In the event that the Landlord fails to provide such service, tenants may petition the Rent Leveling Board for a reduction in rent, credit for reduced services or right of reimbursement in cases where the tenant cannot receive a benefit through credits.

**12-2.16 Violation; Complaint.**

a. A willful violation of any provisions of this Chapter including, but not limited to, the willful filing with the Rent Leveling Board of any material misstatement of fact, shall be punishable by a fine and/or penalties not of not more than five hundred (\$500.00) dollars to exceed the maximum allowed by N.J.S.A 40:49-5 and shall be considered a separate violation as to each leasehold.

b. Upon recommendation to the Borough Council by the Rent Leveling Board that a violation be prosecuted, it shall be the duty of the Borough Code Enforcement Officer to sign the complaint, within fifteen (15) days after the Council has authorized the same by resolution.

**SECTION TWO:** Any ordinances or portions thereof which are inconsistent with the provisions of this Ordinance are hereby repealed as of the effective date of this Ordinance. All other provisions of the Rent Control Ordinance not otherwise amended or supplemented by this Ordinance are hereby ratified and remain in full force and effect

**SECTION THREE:** If any provision of this Ordinance or the application of such provision to any person or circumstance is declared invalid, such invalidity shall not affect the other provisions or applications of this Ordinance which can be given effect, and to this end, the provisions of this Ordinance are declared to be severable.

**SECTION FOUR:** This Ordinance shall take effect immediately upon final passage and publication according to law.

Seconded by Ms. Lee and adopted on final reading by the following vote:

	Yes	No	Abstain	Absent
Ms. Lewis	( x )	( )	( )	( )
Mr. Zipprich	( x )	( )	( )	( )
Mr. DuPont	( x )	( )	( )	( )
Ms. Horgan	( x )	( )	( )	( )
Ms. Lee	( x )	( )	( )	( )
Mr. Murphy	( x )	( )	( )	( )

Dated: April 11, 2012