

ORDINANCE

No. _____

1st Reading APR 18 2024
Public Hearing MAY 03 2024
2nd Reading & Passage MAY 09 2024
Withdrawn _____ Lost _____

Date to Mayor MAY 14 2024
Date Returned _____
Date Resubmitted to Council _____

Approved as to Form and Legality

Factual content certified by

WESLEY BRIDGES, ESQ., CITY ATTORNEY

MASIEL FERRARA, DIRECTOR, HOUSING & ECONOMIC DEV.

COUNCILMAN / WOMAN _____

PRESENTS THE FOLLOWING ORDINANCE:

SPONSORED BY:

AN ORDINANCE TO AMEND CHAPTER 222 OF THE CODE OF THE CITY OF TRENTON ("RENT CONTROL") TO FIX RENTAL INCREASE AT FOUR PERCENT FOR TENANTS & 2% FOR A SENIOR CITIZEN OR DISABLED TENANT

WHEREAS, Chapter 222 of the code of the City of Trenton (the "City") addresses Rent Control and other landlord/tenant issues in the city; and

WHEREAS, the state purpose of the Rent Control provisions, in Code Section 222-1, recognizes that "Without some controls, such as shortage will lead to excessive and unconscionable rents and rent increases"; and

WHEREAS, the City Council agrees that it is necessary to fix the allowable rent increase at a reasonable rate; and

WHEREAS, it is in the best interest of the City to fix maximum rental increases at four percent (4%) for a tenant, and two percent (2%) for a senior citizen tenant or a disabled tenant in order to protect the health and welfare of the City residents; and

WHEREAS, currently, Code Section 222-6, allows for a maximum rental increase based on the "rent index," which is a statistical index computed by taking the twelve-month average of the United States Housing Component of the Consumer Price Index-U for rent, and is subject to change every six months; and

WHEREAS, the current "rent index," (i.e. allowable rent increase) for January 1, 2024 through June 30, 2024 is seven point five percent (7.5%); and

WHEREAS, the chart below shows the rent index (i.e. allowable rent increase) history for the past seven years; and

Year	<u>January 1 to June 30</u> <u>index</u>	<u>July 1 to December 31</u> <u>Index</u>
2023	7.9%	7.5%
2022	2.2%	3.6%
2021	2.2%	2.3%
2020	2.9%	2.6%
2019	2.3%	2.3%
2018	1.8%	2.2%
2017	0.6%	1.5%

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WHEREAS, it is apparent that the rent index (i.e. allowable rent increase) has increased significantly over the past two years, so it is counter to keeping rents affordable in the City.

NOW, THEREFORE, BE IT ORDAINED, by the City Council of the City of Trenton that the Code of the City of Trenton shall be amended as follows to remove references to the "rent index" and to indicate that maximal rental increases are capped at four percent (4%) for a regular tenant and two percent (2%) for a senior citizen tenant or a disabled tenant (deletions are ~~struck through~~ and additions are underlined):

Section 1. Amend Chapter 222 (Rent Control)

§ 222-2 Definitions

* * *

RENT INDEX

~~The statistical index governing rent increases under this chapter. The rent index shall be subject to change every six months commencing with January 1 and July 1 of each year, and shall remain unchanged during each six-month period. The rent index shall be computed by taking the twelve-month average of the United States Housing Component of the Consumer Price Index-U for Rent (Residential) immediately preceding the beginning of each six-month period. For example: if the twelve-month average of the United States Housing Component of the Consumer Price Index-U for Rent (Residential) for the period of January 1 through December 31, 1995, was 2.83%, then the rent index in effect for the period January 1 through June 30, 1996, would be 2.83%. If the twelve-month average of the United States Housing Component of the Consumer Price Index-U for Rent (Residential) for the period July 1, 1995, through June 30, 1996, is 2.90%, then the rent index for the six-month period commencing July 1, 1996, will be 2.90%.~~

DISABLED TENANT

A person who has been deemed 100% disabled by the United States government or an agency operating under its authority.

TENANT

A person who is under 62 years of age on the date of the expiration or termination of a formal lease or a periodic tenancy.

SENIOR CITIZEN TENANT

A person who is at least 62 years of age on the date of the expiration or termination of a formal lease or a periodic tenancy.

* * *

§ 222-6 ~~Rent index increase~~ Rental increase fixed rate.

At the expiration or termination of a formal lease or a periodic tenancy, no landlord may receive a percentage increase in rent for that housing space from ~~any~~ a regular tenant which is greater than four

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~~percent (4%), and two percent (2%) for a senior citizen tenant or disabled tenant the rent index based upon the rent index in effect 90 days prior to the expiration or termination of the lease. For a periodic tenant whose base sum shall be less than one year, such tenant shall not be caused to pay any increase in any rent based upon a rent index more than once during any twelve-month period, and may only be caused to pay a rent increase based upon the rent index in effect 90 days prior to the effective date of the proposed increase.~~

§ 222-7 Tax increase.

A. In accordance with the procedural provisions of this chapter and such procedural regulations as may be adopted by the Board, a landlord may receive an increase in excess of that permitted by § 222-6 above in the rent of any dwelling unit because of a current increase in local property taxes directly affecting that dwelling, but only when such taxes increase by a percentage greater than the applicable ~~rent index~~ percentage increase last applied to the dwelling unit under § 222-6 ~~over the twelve-month period immediately preceding.~~

B. The increase permitted under this section shall be computed in the following manner: the percentage increase in the rent ~~index~~ used in § 222-6 shall be subtracted from the percentage increase in property taxes for the dwelling. The percentage difference shall then be multiplied by the appropriate unit tax burden to determine the amount of increase allowable as a result of a property tax increase. If the percentage increase ~~used in § 222-6 in the rent index used in this computation~~ is greater than the percentage increase in property tax, no increase in rent shall be permitted. The landlord, prior to the imposition of any such increase in rent, shall notify the tenant in the manner prescribed in § 222-14 hereinafter of his/her intentions and shall provide a clear statement of the manner in which the increase was calculated.

C. No rent increase under this section may take effect until or unless the landlord has documented the increase on a form which the Board shall prescribe and make available, a copy of which form shall be completed in full and filed with the Board and copies served on all tenants affected by the rent increase prior to the effective date of the increase.

§ 222-9 Sewer and water charge increase.

A. In accordance with the procedural provision of this section and such procedural regulations as may be adopted by the Board, a landlord may receive an increase exceeding the limitation of § 222-6 above in the rent of any dwelling unit because of a current increase in local sewer and water charges directly affecting his/her dwelling only when such charges increase by a percentage greater than the applicable ~~rent index~~ percentage increase last applied to the dwelling unit, pursuant to § 222-6, over the twelve-month period immediately preceding. The increase permissible under this section shall be computed in the following manner.

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1. Where the increase applies to a single unit, or where all of the units to which the increase applies contain the same number of bedrooms, the increase shall be applied as in § 222-7.

2. Where the increase applies to a building containing more than one unit and where units in such building contain different numbers of bedrooms, the landlord shall total the number of bedrooms in the building and divide the number of bedrooms in each unit by that total in order to obtain the pro rata share for each unit. The landlord shall allocate the increase calculated as in § 222-7 among the units in the building according to the pro rata share of each as so determined.

B. No sewer or water charge increase under this section may take effect until or unless the landlord has documented the increase on a form which the Board shall prescribe and make available, a copy of which form shall be completed in full and filed with the Board and copies served on all tenants affected by the increase prior to the effective date of the increase.

§ 222-15 Maintenance of services.

During the term of this chapter, the landlord shall maintain the same standards of service, maintenance, furniture, furnishings and equipment in the housing space and dwelling as was provided or was required to be provided by law or lease at the date the lease was entered into. Any transfer from the landlord to the tenant of the costs or responsibilities for supplying essential services such as public utilities and heat shall be deemed a rental increase, the amount of which shall be determined by computing or estimating the average monthly costs of providing the same projected on the basis of current costs for such services or supplies and upon prior actual consumption rates to the extent known. It shall be the responsibility of the landlord to produce adequate records of prior costs and volumes equitably allocated for each rental unit for which such a transfer is sought. The projected amount of the increase in rent resulting from such transfer shall not exceed the amount resulting from application of ~~the rent index permitted by § 222-6,~~ except where the landlord has obtained approval of ~~an~~ a greater increase ~~greater than the index~~ under the provisions of § 222-10.

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Section 2. Severability. Should any section, clause, sentence, phrase or provision of this article be declared unconstitutional or invalid by a court of competent jurisdiction, such decision shall not affect the remaining portions of this article.

Section 3. Repealer. All prior ordinances or parts of same inconsistent with any provisions of this article are hereby repealed to the extent of such inconsistency.

Section 4. Effective Date. This Ordinance shall take effect upon final adoption and publication in accordance with law.

INTRODUCTION:	MOTION: <i>Gonzalez</i> SECOND: <i>Edwards</i>								ORD. AUTHORED BY:	ADOPTION MOTION: <i>Williams</i> SECOND: <i>Edwards</i>																
	INTRODUCTION				ADOPTION					INTRODUCTION				ADOPTION												
	AYE	NAY	NV	AB	AYE	NAY	NV	AB		AYE	NAY	NV	AB	AYE	NAY	NV	AB									
EDWARDS	✓				✓				GONZALEZ	✓				✓				FELICIANO	✓				✓			
FIGUEROA	✓				✓				HARRISON	✓				✓												
KETTENBURG	✓				✓				WILLIAMS	✓				✓												
FRISBY	✓				✓																					

NV - NO VOTE AB - ABSENT

Adopted on first reading at a meeting of the City Council of the City of Trenton, NJ on APR 16 2024

Adopted on second reading after the public hearing on MAY 09 2024

[Signature]
 Mayor
[Signature]
 President of Council

APPROVED
 REJECTED

Reconsidered by Council – Override Vote
[Signature]
 City Clerk