

MINUTES OF THE CALDWELL RENT REVIEW BOARD
March 20, 2024

A meeting of the Borough of Caldwell Rent Review Board was held electronically via ZOOM Meetings at 7:00PM on Wednesday, March 20, 2024.

PRESENT: Councilman Jurgensen, Ms. Evans, Mr. Kostecka, Mr. Irwin, and Mr. Galante. Mr. Chiaia, the Board Attorney was also present.

ABSENT: None.

STATEMENT OF COMPLIANCE

PLEDGE OF ALLEGIANCE

MINUTES:

The meeting minutes from February 21, 2024 were accepted and approved by the Board.

RESOLUTION:

Kostecka Tenant Complaint, 507 Bloomfield Avenue

Ms. Evans made a motion to approve the Resolution for the Kostecka Complaint, 507 Bloomfield Avenue, allowing his parking fee to remain at \$35 per month and not the proposed increased amount of \$75 per month. The motion was seconded by Mr. Irwin.

Upon roll call, the votes were as follows:

Ms. Evans yes

Mr. Kostecka abstain

Mr. Irwin yes

Mr. Galante yes

(3 - 0 - 1) Resolution Approved

OLD BUSINESS:

Victoratos Tenant Complaint, 507 Bloomfield Avenue

Tabled from the February 21, 2024 Meeting

The Board Secretary reported that Mr. Victoratos had submitted a copy of an older lease before the meeting date. She had notified Mr. Galante, who had asked her to reach out to Mr. Victoratos and ask for the current lease. Mr. Victoratos had notified the Board Secretary that it would take some time for him to locate a copy since it was in his digital files.

The Board Members deliberated and agreed that since leases change every year, they would need to see the new or current lease in order to make a decision regarding Mr. Victoratos' complaint.

Mr. Kostecka made a motion to table Mr. Victoratos' Complaint until the next meeting date, seconded by Mr. Irwin.

Upon roll call the votes were as follows:

Ms. Evans	yes
Mr. Kostecka	yes
Mr. Irwin	yes
Mr. Galante	yes

(4 - 0 - 0) Tabled for next meeting

Moscatallo Tenant Complaint, 4 Provost Square
Tabled from the February 21, 2024 Meeting

Mr. Galante provided an update for the Board:

A complaint was submitted by Ms. Moscatello regarding a property maintenance issue that was resulting in water leakage in her unit and in the common hallway area.

At the previous meeting, Mr. Guiliano had reported that he had inspected the site and found evidence of leakage. The landlord was given a Notice of Violation and was provided until March 15, 2024 to rectify the problem. He notified Mr. Guiliano that he was going to be renting a machine to make the appropriate repairs. When the repairs were not made by the abatement date of March 15, 2024, Mr. Guiliano issued a Summons with a mandatory court appearance. The Summons can be retracted if the work is completed before the court date.

Mr. Galante asked the Board Secretaries to notify the Board if the issue is rectified before the Court Date. Mr. Kostecka made a motion to table the Moscatello Tenant Complaint until the next meeting date, seconded by Ms. Evans.

Upon roll call, the votes were as follows:

Ms. Evans	yes
Mr. Kostecka	yes
Mr. Irwin	yes
Mr. Galante	yes

(4 - 0 - 0) Tabled for next meeting

NEW BUSINESS:

Public Notice and Participation for Rent Review Board Meetings

Mr. Galante asked if a note could be added to the Caldwell Website next to the link for the Rent Review Board Meetings that says "Do not click this link until...". He notified the Board that Rent Review Board Meetings will be held in-person in the Irene Gibbons Building, 14 Park Avenue, starting as of May 1, 2024.

Councilman Jurgensen reported that the Rent Review Board Meeting Dates were added to the Caldwell Website Calendar and that the 2024 Rent Review Board Roster has been updated. Minutes from the Rent Review Board will be added to the Caldwell Website as well.

ORDINANCE REVIEW Chapter 182. Rent Control Ordinance for the Borough of Caldwell

Mr. Galante asked the Board Members for any input/suggestions with regard to updating the Rent Control Ordinance.

Mr. Kostecka stated that the 2024 CPI adjustment numbers, provided by Mr. Chiaia, reflected figures for the Borough's scaling rent increase chart that were more in line with market standards.

Mr. Chiaia's updated Rent Increases Chart reflected the following numbers:

CPI Adjustment from values in 1989 US dollars to 2024 US dollars:

<u>The rent fixed for such housing space unit is:</u>	<u>The increase in rent permitted under this section shall not exceed:</u>
Under \$758 per month	6% of previous year's rent; 5% for Seniors at least age 65
\$759 to \$1264 inclusive, per month	5% of previous year's rent; 4% for Seniors at least age 65
\$1265 to \$1897 inclusive, per month	3 ¾% of previous year's rent; 2 ¾% for Seniors at least 65
\$1898 and over per month	2 ¾% of previous year's rent; 1 ¾% for Seniors at least 65

On the revised chart, 1% is subtracted from each tier of the Rent Increase Chart for Seniors who are at least 65 years old.

Mr. Galante indicated that the responsibility would be for the tenant to notify the landlord if they are eligible for the 1% reduction on annual rental increases.

Mr. Galante expressed a possibility that a 1% decrease in allowable annual rent increases may have an unintended consequence of landlords preferring younger tenants over older tenants?

Councilman Jurgensen stated that there tend to be bigger turnovers with younger tenants so it may not have an impact.

Mr. Galante stated that it would be prudent for the Board to wait until the next meeting to take a vote on the proposed changes to the Rent Control Ordinance to allow an opportunity for the Board to hear public comments.

Mr. Galante asked Mr. Chiaia if he could draft a Resolution for the next meeting with the proposed changes including the Revised Annual Rent Increase Chart (with the reduction of 1% for tenants who are Senior Citizens) and the amendments to clarify language in the Ordinance with regard to rates/charges for parking spaces.

Mr. Chiaia read the revised language for the portion of the Ordinance that refers to charges for parking spaces to read as follows:

"All charges to a tenant for rental of a dwelling and parking space/garage shall be deemed added to the rent and be considered part of the total rent for purposes of calculating maximum permitted annual increase under this section. Increases in rent on parking spaces shall not be made independently of the maximum provided for in this section. An increase caused by an increase in the quantity of parking spaces in the year the new space or spaces are added to the lease shall not be considered part of the total rent when calculating the maximum allowable rent increase for that year."

Ms. Evans asked if garages were included?

Mr. Chiaia confirmed that yes parking spaces and garages were included in the language.

Mr. Chiaia reported that he had also been asked by the Board Members to add a section to the Ordinance regarding pet fees.

The draft language for the proposed added **Section 182-11.1** reads as follows:

*"All Charges to a tenant for rental of a dwelling and pet fees shall be deemed added to the rent and be considered part of the total rent for purposes of calculating maximum permitted annual increase under this section. Increases in rent on pet fees shall not be made independently of the maximum provided for this section. An increase caused by an increase in the quantity of pets in the year, such additional fees for added on quantity shall not be considered part of the total rent when calculating the maximum allowable rent increase for that year. **There shall be no new pet fees for pets permitted and already existing in a Tenant's Lease.** Furthermore, consistent with*

the state Law Against Discrimination (LAD), the Federal Fair Housing Act (FHA) and the Federal Americans with Disabilities Act (ADA), there shall not be any fee (including an increased security Deposit) charged for service animals or emotional support animals.”

OPEN TO PUBLIC:

- 1. Victor Victoratos, tenant at 501 Bloomfield Avenue,** reported to the Board that he did send the updated and current lease agreement via email on March 14, 2024. It was confirmed that the current lease was sent, however, it ended up marked as “spam email”. Mr. Victoratos asked why Mr. Gasparro, the attorney representing the Property Management Company for 501 Bloomfield Avenue did not call him to resolve the issue, as promised when his complaint was first presented to the Board?
- 2. Nick Gasparro, Esq., Attorney representing Caldwell Terrace LLC,** reported to the Board that he had not reached out to Mr. Victoratos because of a personal issue that took him away from work. He asked the Board if they would be willing to allow a postponement on a decision regarding the complaint so that he could have time to communicate with Mr. Victoratos and resolve the issue.

The Board agreed to allow time for Mr. Victoratos and Mr. Gasparro to find a resolution to the problem..
- 3. John Carr, a renter in the Borough of Caldwell,** asked the Board Members to elaborate on the meaning of the term CPI.

Mr. Galante explained that CPI refers to “Consumer Price Index” or how inflation fluctuations are calculated each year. (Please refer to the sliding scale referred to earlier in the minutes entitled “CPI Adjustment from values in 1989 US Dollars to 2024 US Dollars”). The figures in the chart represent proposed changes to the scaling system used for allowable annual rent increases in Caldwell. The Board is proposing a 1% Senior Citizen Discount for each level of rent on the chart, however, all final decisions would have to be made by the Borough of Caldwell Governing Body. Mr. Galante proposed to the Board that the Board Members table any decision with regard to the proposals for changing the Borough’s Rent Ordinance until the next meeting date so that public comments could be heard.
- 4. T. G., a tenant in the Borough of Caldwell,** stated that in his apartment complex, most of the tenants pay less than \$1,700 a month. The proposed changes will impact tenants in his building which he believes, will result in a massive turnover of units. He questioned using a National Pricing Index, which may or may not be reflective of the inflation rates and status of the Borough of Caldwell. He agreed that the Ordinance is antiquated but it has worked in that it has provided a stable population in Caldwell, which in turn provides for customer loyalty for the businesses in the downtown district. He stated that he did not see any benefit to the Borough of Caldwell in making changes in the Ordinance. In his opinion, the management companies will benefit from the changes, but the tenants will keep paying more and will continue to get less in terms of maintenance of the buildings and services.

He asked if the minutes for the meetings could be posted on the Caldwell Website. He was notified that the minutes would be posted once they are approved by the Board.
- 5. Chris Leutseunis, a tenant at 507 Bloomfield Avenue,** stated that landlords have already benefited from inflation. It kept the mortgage rates low, which in turn made real estate values skyrocket.

He proposed to the Board, why not provide financial bonuses on taxes for landlords who properly maintain their properties? Most tenants have fixed wages and in his opinion, the Board is making a moral choice that will set a precedent for the future.

6. **Victoria, tenant in Rumsey Apartment Complex**, moved into her apartment in 2009 with a monthly rent of \$1,100; now her monthly rent is \$1,520. She asked, if the rent is raised, where would the extra money go? It is her experience that the landlords do not maintain or upgrade the buildings. She asked if the Board would consider waiting to make changes to the Rent Ordinance until the economy is better.
7. **Debbie, a tenant in the Borough of Caldwell**, asked the Board Members where she could find out more information about the National CPI Index? In addition, she asked the process for reporting to the town if a landlord does not make necessary repairs to a unit?
The Board Members reported that the CPI Index was taken from the National Bureau of Labor Statistics Website. Any maintenance issues should be reported to the Borough of Caldwell's Code Enforcement Officer, Mark Guiliano.
8. **Thomas Roe**, inquired about the new numbers/figures being proposed for the allowable annual rent increases. *Mr. Chiaia re-read the proposed numbers/figures on the chart provided in page 3 of the minutes entitled "CPI Adjusted from values in 1989 US Dollars to 2024 US Dollars".* Mr. Roe noted that the allowable increases are higher if you pay lower rent, however, lower rent usually means a lower valued space.
9. **Paul M., a tenant in 501-507 Bloomfield Avenue**, stated that most of his neighbors are senior citizens. In his opinion, senior citizens will be penalized by the changes proposed to the Ordinance.
10. **Daniele Stefanelli, a tenant at 507 Bloomfield Avenue**, shared her experiences with the Board. She has been leasing an apartment at 507 Bloomfield Avenue for 10 years. Her initial lease was for a one-bedroom unit. For financial reasons, she moved into a studio apartment to save money in rent. She currently pays \$1,250 a month in rent for a unit that has had issues with pests. According to the changes proposed, her landlord will be allowed to raise her rent 5% annually. For what she pays in rent, she believes she will never be able to afford a home of her own. She asked the Board to consider renters like herself, and some of the older tenants in town who may not be able to afford these increases in rent.
Councilman Jurgensen stated that if you look at the figures, an annual rental increase of 2 ¾% keeps pace with inflation almost perfectly.
11. **T. G, a tenant in the Borough of Caldwell** asked for clarification on the section of the Ordinance that addresses parking spots. He stated that he had been a member of the Rent Board at the time when that section of the Ordinance was written. The intent was to allow increases in parking spot fees only when a unit is vacated and a new tenant moves in. The language was crafted to prevent increases in parking spot fees while a tenant was still renting and utilizing their parking space (s). *Mr. Chiaia concurred that when he spoke to the previous Rent Board Attorney who helped draft the language, the intent was for the Board to prevent landlords from increasing parking costs on top of their allowable increases in rent. The parking fees were meant to stay the same.*

12. John Carr, a tenant in the Borough of Caldwell stated that the amount he pays for parking (in his case a garage), has never gone up. His rent has increased annually with no effect on his costs for his garage.

13. Matthew Foley, a tenant in the Borough of Caldwell stated that he rents a two-bedroom apartment with a parking space. If he upgrades his parking space to a garage, for an additional charge, he has been told by his landlord that he will lose his parking space. He asked the Board Members advice.

Mr. Galante and Mr. Chiaia explained that the issue is between the tenant and the landlord. If Mr. Foley feels that the landlord is not following the Borough's Rent Ordinance then he should file a complaint. Mr. Chiaia explained that the Rent Review Board is limited in their purview. They are only able to hear cases where repairs/maintenance are not completed or in cases where there is an illegal rent increase.

14. Gail Pruner, a tenant at 507 Bloomfield Avenue, informed the Board that she had been living in her apartment for 45 years. She would not be able to pay for a significant increase in rent.

The Board Members discussed protocols with regard to Executive Sessions. Mr. Chiaia informed the Board Members that a motion would need to be made and seconded to enter into Executive Session. A specific reason for the Closed Session would need to be stated. Allowable items to be discussed in Closed Session are confined to employment/personnel or litigation issues.

Mr. Kostecka made a motion to adjourn the meeting, seconded by Ms. Evans.
The meeting adjourned at 9:04PM.

Respectfully Submitted,

Kim Conlon
Board Secretary