

NEPTUNE TOWNSHIP RENT LEVELING BOARD

Minutes – April 4, 2019

Mr. Manning called the meeting to order at 6:05 pm and requested the Secretary to call the roll. The following members were present: Ruth Johnson, Connie Holmes, Catherine McAphee, James Manning Jr. , Jeff Klein. Naomi Riley Absent

Mr. Manning stated adequate notice of this meeting as required by P.L. Chapter 231 has been provided by notice in the Coaster, which was posted on the bulletin board of the Municipal Complex and filing a said notice with the Municipal Clerk.

Mr. Manning announced the Consumer Price Index [February's price index was 275.823, area prices up 0.2 percent over the month and up 1.3% over the year].

APPROVAL OF MINUTES

Mrs. Johnson offered a motion, moved and seconded by Mrs. Holmes to approve the minutes of the meeting for March 7, 2019; all that were eligible to vote were in favor.

RESOLUTIONS

Mrs. Johnson offered the following resolution, moved and seconded by Mr. Manning:

Resolution #19-04

RESOLUTION OF LANDLORD/APPLICANT JUMPING BROOK APARTMENTS 3633 HIGHWAY 33 AND 3805 HIGHWAY 33, NEPTUNE TOWNSHIP, NEW JERSEY SEEKING APPROVAL OF FINAL COST AND CALCULATED SURCHARGES FOR PHASE I BY THE NEPTUNE TOWNSHIP RENT LEVELING BOARD

WHEREAS, Jumping Brook Apartments, legally known as JB Neptune Holdings, LLC, presented an application through their attorney, Paul H. Schneider, Esq., of the Law Firm of Giordano, Halleran and Ciesla, for a Capital Improvement Surcharge encompassing a two phase plan of upgrades and improvements associated therein. The aforesaid application was dated January 10, 2018 and filed January 25, 2018, with the Neptune Township Rent Leveling Board and the Rent Board Attorney, Gene J. Anthony, Esq.; and

WHEREAS, Chapter IV, §4-30, entitled “Rent Control” of the Revised General Ordinances of the Township of Neptune, Volume I, and in particular, §4-30.4, entitled, “Appeal by Landlord”

provides that, “Landlord may seek additional surcharges for Major Capital Improvements or services. To qualify for a major improvement surcharge, claimant must show a benefit to the Tenant, in the form of improved lifestyle, convenience, ease and/or security, and compliance with the definition of Capital Improvements found in the Internal Revenue Code. The landlord must notify each Tenant of the total costs of the completed Capital Improvement or service, the number of years of useful life of the improvement as claimed by the landlord for purposes of depreciation for income tax purposes, the cost of the improvement, the total number of square feet to the dwelling or garden apartment complex, the total square feet occupied by the Tenant and the capital improvement surcharge he is seeking from each Tenant. The landlord seeking the Capital Improvement or service surcharge shall appeal for the surcharge to the Rent Leveling Board who shall determine if the improvement is a major improvement, and if so, may permit such increase to take place and may direct that the increase shall be collected in equal monthly payments spread over the useful life of the Capital Improvement. If the increase is granted it shall not be considered rental and calculated in the cost of living increases. In any event, no increase authorized by this section shall exceed 15% of the Tenant’s rent”; and

WHEREAS, the hearing before the Neptune Township Rent Leveling Board was originally scheduled for April 5, 2018, but due to a request by the applicant, was adjourned to May 3, 2018 and continued to June 14, 2018 and to August 9, 2018, with a confirmation of background documents on December 6, 2018; and

WHEREAS, present at the hearings for the applicant throughout the proceedings was the attorney for the applicant, Paul H. Schneider, Esq. of the Law Firm of Giordano, Halleran and Ciesla; and testifying on behalf of the Landlord/Applicant were Mr. Jack Adler; Mr. Isaac Gluck and Mr. Biegeleisen, all of whom testified as to the general improvements and background of the

intended improvements; invoices and contracts entered into and paid for by the applicant and improvements yet to be completed, and participated in public comments and questions from the Board throughout the proceedings, including May 3, 2018; June 14, 2018 and August 9, 2018, with comments and questions posed to the applicant's attorney on supporting documentation on September 6, 2018 and ;December 6, 2018; and

WHEREAS, the Rent Leveling Board attorney found that appropriate notice was provided to all parties pursuant to local ordinance and Rules and Regulations; that pre-certification from the Housing and Construction Department of Neptune Township that the buildings and grounds are in substantial compliance with the Municipal Property Maintenance Ordinance, Uniform Construction Code, and Multiple Dwelling Law, and that the same was satisfied and that all pre-hearing requirements were satisfied allowing the hearing to proceed; and

WHEREAS, the Landlord/Applicant presented its application seeking surcharges in a 100 percent residential development containing 308 rental units (104 units on the west side and 204 units on the east side) seeking a surcharge of \$1,998,283.52 in Capital Improvements which had either been completed and fully paid for, or, in a few instances, near final completion and payment, and in addition, a Phase 2 project of Capital Improvements yet to be started, which would provide for additional surcharges to cover the renovation of the gymnasium, balcony renovations and unit upgrades; and

WHEREAS, as a result of all hearings and concluded testimony of the Landlord/Applicant and its witnesses with regard to proposed and existing Capital Improvements, issues were raised concerning whether all of the improvements undertaken or proposed in the future were Major Capital Improvements and actually satisfied the definition of Capital Improvements under the Municipal Ordinance, and what the future intention of the Landlord/Applicant was in seeking the

Capital Improvements, and ultimately under a separate hearing in the future, what the calculation of the surcharge would be for those Capital Improvements that were approved by the Board, if any; and

WHEREAS, as a result of the hearings concerning existence of proposed Capital Improvements, the Board adopted a Resolution incorporated herein on December 6, 2018, which identified those proposed Capital Improvements in Phase I and Phase II that were ruled as Capital Improvements or not as Capital Improvements by the Board, with a total number of items in Phase I classified as Capital Improvements totaling \$1,586,049.87; which included roofs and gutters and soffits/fascia, hot water heaters on the west side of the complex and boilers yet to be completed (Phase II), breezeway upgrades, exterior lighting upgrades, parking lot repaving; thus reducing the original application request for Capital Improvements by \$610,773.93; and

WHEREAS, the Board further held that under Phase II involving Capital Improvements yet to be completed and surcharged, only balcony renovations were considered Capital Improvements; and

WHEREAS, by letter application of February 5, 2019, received by the Board on February 9, 2019, the Applicant submitted final costs and supporting documentation to the Neptune Township Rent Leveling Board, including an updated Rent Roll and a Amortization Calculation Schedule for the Capital Improvement Surcharge, Phase I; and

WHEREAS, on March 7, 2019, the Neptune Township Rent Leveling Board reviewed the updated Amortization Calculation Schedule for the Capital Improvement Surcharges sought by the Applicant on Phase I, based on those Capital Improvements previously approved by the Neptune Township Rent Leveling Board, and proposed rent surcharges to all tenants along with proof of service of notice of the hearing.

NOW, THEREFORE, BE IT RESOLVED, by the Neptune Township Rent Leveling Board that the Neptune Township Rent Leveling Board has made the following determinations:

- A. That the Rent Leveling Board had jurisdiction to hear the application of the Landlord/Applicant, Jumping Brook Apartments, also known as JB Neptune Holdings, LLC, that all notice requirements were satisfied as well as conditions concerning construction and maintenance code compliance.
- B. After the Board review all the documentation in supporting the actual cost of all Capital Improvements approved by the Board for Phase I and reviewed the Applicant's updated Rent Roll and Amortization Calculation Schedule for the Capital Improvement Surcharge, including the proposed rent surcharges for all tenants, and the Board hereby approves the rent surcharges submitted by Jumping Brook Apartments, made a part hereof as Exhibit A.
- C. The Board further determines that the Landlord shall have to apply to the Neptune Township Rent Leveling Board for approval of any final costs and proposed rent surcharges with regard to Phase II upon completion of all work with regard to the same, and the Board retains jurisdiction to rehear and approve of said costs and surcharges upon submission by the Landlord.

BE IT FURTHER RESOLVED, that the Municipal Board Attorney, Gene J. Anthony, Esq., is hereby authorized to provide the Landlord/Applicant through its attorney, Paul H. Schneider, of Giordano, Halleran and Ciesla, with offices located at 125 Half Mile Road, Suite 300, Red Bank, New Jersey, 07701 with a written notice of this decision by a copy of the

Resolution effective the date of execution of this Resolution, and the Landlord/Applicant may implement all actions necessary with regard to the Resolution, upon notification to all tenants as set forth more fully below.

BE IT FURTHER RESOLVED, that all Tenants shall receive a copy of this Resolution, with attached Exhibit A, submitted by regular mail by the Landlord/Applicant, and notification as to when actual surcharges shall go into effect, submitting proof of service to the Neptune Rent Leveling Board.

BE IT FURTHER RESOLVED, that future Tenants shall be put on written notice of the surcharge to be imposed upon Tenant prior to or at the time of execution of a written lease or commencement of tenancy.

BE IT FURTHER RESOLVED, that pursuant to §4-30.7 of the Rent Control Ordinance of the Township of Neptune, both the Landlord/Applicant and any Tenant may appeal in writing the finding of the Board to the governing body within twenty (20) days from the date of receipt of the determination pursuant to the Rules and Regulations set forth for the Rent Leveling Board and the Municipal Ordinance for such appeals.

The resolution was adopted on the following vote: McAphee, Aye; Holmes, Aye; Manning, Aye; Johnson, aye; Klein, Aye.

HEARING - #19-02 RHONDA ROBINSON

The hearing for Rhonda Robinson vs Jumping Brook Apts was held. Ms. Robinson was present as well as Robert Rosso the Manager for the Complex. The Board established they had jurisdiction to hear the complaint. The hearing was held and the three major complaints were heating problems, electrical and noise. Ms. Robinson was unable to give specifics as far as the temperature in the apartment but kept reiterating that the thermostats did not work properly and the circuit breaker kept tripping. Mr. Rosso stated the maintenance team did replace base boards and every thermostat in every room. They did find an electrical issue and corrected it. He stated this was the first time of hearing about the circuit breaker. Mr. Rosso stated the complaint as far as the noise with the upstairs neighbor, the neighbor is willing to work with Ms. Robinson.

Mrs. Johnson stated that there was no significant deficiency for heat because they did not know what the temperature in the apartment was, moved and seconded by Mr. Klein; all were in favor.

Mr. Klein stated there was a deficiency with the electrical system but they cannot determine the value recommended and suggested the landlord contact a contractor, moved and seconded by Mrs. Johnson; all were in favor.

Mr. Klein stated there wasn't a significant deficiency with the upstairs neighbor and suggested it be resolved with the landlord and if not resolved come back here and it can be a significant deficiency, moved and seconded by Mrs. Holmes; all were in favor

The Board agreed that they had to allow the tenant and the landlord to work out the arrangements and urged Mrs. Robinson to give the landlord notice to meet with her.

Mr. Anthony recommended the landlord fix the electrical situation that could affect her health and heating. The landlord was put on notice to fix the issue.

Mrs. Johnson offered a motion to close the hearing, moved and seconded by Mrs. Holmes; all were in favor.

PUBLIC PARTICIPATION

None

Mr. Manning offered a motion to adjourn the meeting, moved and seconded by Mrs. Johnson. All were in favor.

Pamela D. Howard

Secretary