

**RENT LEVELING OFFICE
124 GRAND STREET
HOBOKEN NJ 07030**

LANDLORD APPEAL FOR CAPITAL IMPROVEMENT OR SERVICE SURCHARGE

1. Name of Landlord _____
2. Address _____
3. Telephone Number _____
4. If Corporate landlord:
Name of Officer preparing this application _____
Title _____
Address _____
Telephone _____
5. If Attorney preparing this application:
Name _____
Title _____
Address _____
Telephone _____
6. Address of Building _____
7. Number of Rental Units:
Residential _____
Commercial _____
Total _____
8. Number of Rooms:
Residential _____
Commercial _____
Total _____
9. Amount of total Increase Requested \$ _____
10. Amount of Money allocated to repairs and maintenance in the last twelve (12) months. \$ _____
11. Net income before depreciation and debt service in the last twelve (12) months. \$ _____

Include:

12. All bills and canceled checks relating to Capitol improvements.
13. Copies of all documentation upon which landlord will rely at the hearing to sustain Landlord'd burden of proof of the useful life expentancy of the improvement.
14. Copies of property Income profit and Loss Statements filed with Federal Income Tax returns for the current year and proceeding two (2) years.
15. Provide schedule containg a detail reititation of the recitation of the rental history for all apartment units indicating all increases, surcharges and tax pass through for the past three (3) years.
16. Provide proof of current rents being paid for all residential units (copies of recent rent checks, copies of recent rent receipt).
17. Substantial Code Compliance Certificate from the Housing Inspection Office.
 - **Applcation fee \$75.00 made payable to the City of Hoboken**
18. Provide proof property is not subject to city-held title lien for nonpayment of Real Estate Taxes, water/sewer charges.
19. Provide proof of service to the tenant required under the Rent Control Ordinance Sec. 155-9 Notice to Tenant (a copy is attached). Copy of notice to tenant must be attached to the application before it can be processed and scheduled for hearing before the Board.

CAPITOL IMPROVEMENTS

PROPOSED METHOD OF ALLOCATION						
CATEGORY:	ITEM	TOTAL COST	DEPRECIATION PERIOD	SQUARE FOOTAGE	NUMBER OF ROOMS	NUMBER OF UNITS
HEATING:						
STRUCTURAL:						
PLUMBING:						
AIR CONDITIONING:						
FIRE PREVENTION:						
POWER:						
ELEVATORS / ESCALATORS:						
OTHER:						

IMPROVED OR INCREASED SERVICES

1. What service(s) has been improved or increased?
2. What was the status of the service(s) prior to this improvement increase? (Include frequency and quality factors in your response.)
3. How have these services been increased or improved? By what method?
4. Itemize the cost for improvements of these services and indicate the amortization period for this investment.

ITEM	COST	AMORTIZATION PERIOD	PROPOSED METHOD OF ALLOCATION		
			SQ. FT	#OF ROOMS	#OF UNITS

IMPROVED OR INCREASED SERVICES

NAME	APT # Present Rent	Number of Sq Ft Or Rooms	Allocation of Cost Per Amount of (Sq. Ft.) (Room) Unit Surcharge	Total or Rent And Proposed Surcharge
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I hereby certified that the information contained in this application for a capitol improvement or Service Surcharge is tru to the best of my knowledge and belief. I am aware that if any of this information supplied is willfully false, I am subject under the Law.

Date

Signature

- Proof of service to all tenants as required under the Hoboken Rent Control Ordinance Sec. 155-9 (copy attached) a copy of which must be attached to this application. No application will be processed or scheduled for a hearing until landlord has complied with Sec 155-8 & 155-9 as well as all other requirements set forth below.
- Application must include a certificate of substantial code compliance from the Housing Inspection Office which indicates that prperty is 90% in compliance.
- Legible copies of actual bills and canceled checks must be included.
- Copies of all permits must be included.
- Property must be registered to date at the time Application is sun=bmitted.
- Application fee pf \$75.00 made payable to the City of Hoboken must also accompany this application
- An original and nine (9) copies of all documents contained in this application shall accompany this application.

§ 155-7. Tax appeal by landlord.

In the event that a tax appeal is taken by the landlord and the landlord is successful in said appeal and the taxes reduced, the tenants shall receive a reduction as applied to their tax portion, after deducting all expenses incurred by the landlord in prosecuting said appeal.

In the case of tenant(s) that have moved, the landlord shall make diligent efforts for three months to forward the refund to said tenant(s). If these efforts do not succeed, the landlord shall apportion said refund to the rents of the remaining tenants. Determinations under this section shall be made by the Rent Regulation Officer.

§ 155-8. Application to Rent Leveling and Stabilization Board for rental surcharge.

- A. Upon notice to its tenants, a landlord may apply to the Rent Leveling and Stabilization Board for a rental surcharge for capital improvement to the building and/or demised premises. Such application and supporting materials shall set forth the improvement, the cost thereof and its useful life. The landlord shall propose to apportion the cost of the improvement over its useful life among the tenants in the building in accordance with one of the following methods:
 - (1) If the capital improvement benefits certain housing spaces only, then the cost of these improvements shall be surcharged to only these units.
 - (2) If the capital improvement benefits all housing spaces but in varying degrees according to the amount of living area of each housing space, then the cost for the improvements shall be surcharged according to either the number of rooms or the number of square feet in the housing space in proportion to the total rentable area in the dwelling.
 - (3) If the capital improvement is equally beneficial to all housing spaces, regardless of the living area within any housing space, then the cost of the improvements shall be surcharged according to the number of housing spaces within the dwelling.
- B. Permits as required by law are to be secured from all agencies having control and jurisdiction, for alterations, repairs, replacements, extensions and new buildings. All work must adhere to appropriate code standards and must be inspected by all agencies having control and jurisdiction and their approval obtained. A certificate of occupancy must be secured, if required by law.
- C. Any applications under the provisions of this Article of the chapter must prove, prior to the application acceptance, that the dwelling is:
 - (1) In compliance with the housing maintenance, building, fire and other applicable City codes.
 - (2) Not subject to a City-held title lien for the nonpayment of real estate taxes, water charges or sewer charges.

§ 155-9. Notice to tenants.

Prior to any application under this section, the landlord shall serve upon each tenant, by registered or certified mail or personal service of a notice of application filing setting forth the basis for said application, the amount of rental increase or surcharge applied for with respect to that tenant and the calculations involved. A sample copy of such notice shall be filed with the application of the landlord, together with an affidavit or certification of service of notice of application upon each tenant. Copies of bills and invoices in support of the landlord's application shall be made available to the tenant by the landlord.

§ 155-10. Determination.

The Rent Leveling and Stabilization Board may grant the landlord a rental surcharge under the provisions of this Article. No landlord shall impose upon any tenant a rent surcharge under this Article without first obtaining approval from the Board. In making its determination, the Board must conclude that the improvement in question is a capital improvement as defined under this chapter and that it is reasonable as to its nature and cost. Also, the Board must determine the useful life of the improvement so that the cost of the same is prorated over the length of the entire useful life. The burden of proving the useful life shall be with the landlord, but it is rebuttable. In making this determination, the Board shall consider the nature and the cost of the improvement and the effect that the proration of the surcharge shall have on the existing base rents, it being the intent of this chapter that the base rents shall under no circumstances be increased by an amount greater than 33 1/3% due to a capital improvement surcharge in any one twelve-month period.

§ 155-11. Effective date. [Amended 8-1-2018 by Ord. No. B-58]

Rent surcharges under this article should become effective contemporaneously with the next scheduled change in the base rent whenever practicable, except with regard to a tax surcharge as provided in § 155-6 above.

§ 155-12. Violations. [Amended 8-7-1985 by Ord. No. V-8]

For the purpose of computing the cost of a capital improvement under this section, only 60% of the cost shall be allowed if it is for the purpose of eliminating violations of housing code provisions, which provisions were enacted subsequent to January 1, 1985.

§ 155-13. Notification of capital improvement surcharge approval.

- A. The landlord shall, upon approval by the Board of its capital improvement surcharge application, notify its tenants by personal service, on a standardized form, setting forth:
- (1) An explanation of capital improvement surcharge.
 - (2) The base rent.
 - (3) The surcharge, total and apportioned.
 - (4) The effective date and termination.

- (5) The total rent.
- B. This notice shall be filed with the Board and the Officer.

§ 155-14. Appeal by landlord for a hardship rental increase.

- A. In the event that a landlord cannot meet his operating expenses or does not make a fair return on his investment, he may appeal to the Rent Leveling and Stabilization Board for a hardship rental increase. No landlord shall impose upon any tenant an increase in rent under this Article without first obtaining approval with the Board. It shall be within the discretion of the Board to fix the effective date of any approved rental increase to be at any reasonable time as determined by the Board. Prior to any such appeal to the Board, however, the landlord shall serve on each tenant a notice of appeal setting forth in detail the basis for said appeal, and said notice shall be served at least 20 days before hearing thereon. In considering hardship applications, the Rent Control Board shall give due consideration to any and all relevant factors, including but not limited to the following.
 - (1) Level and quality of service rendered by the landlord in maintaining and operating the building.
 - (2) The presence or absence of reasonably efficient and economical management.
 - (3) Whether the landlord made a reasonably prudent investment in purchasing the property and arranging financing on said property. In considering this factor, the Board may consider the purchase price, the fair market value of the property and the existing rentals at the time of the purchase to determine, if the debt servicing expenses are excessive. The Board may also consider the amount of cash invested in the property in relation to said fair market value and purchase price, the interest rate of the mortgage and whether the mortgage instrument was arrived at and executed in an arms-length transaction. It is presumed that a prospective purchaser of real property in Hoboken shall be familiar with the terms of this chapter. It is not the intention of this chapter to permit a hardship rental increase when the landlord has not made a reasonably prudent investment.
 - (4) Whether the operating expenses are reasonably incurred and the income statement is accurate. Operating expenses shall not include depreciation, amortization of debt service or capital expenditures but may include the interest debt service for allowable capital improvement surcharges subject to the Board's approval. Upon the Board's determination that the landlord made a reasonable prudent investment, operating expenses shall include an amount allocable for the average annual payment of mortgage interest when the mortgage arises from the purchase of the property. Said average annual payment of mortgage interest shall be arrived at by taking the total amount of mortgage interest to be paid over the life of the mortgage and dividing it by the number of years under the term of the mortgage. Mortgage interest which arises as a result of a refinancing of the property shall not be considered an operating expense, unless the funds which arise from the refinance are invested in the property in which case the Board may allow an amount allocable to mortgage interest as an operating expense.

SAMPLE LETTER TO THE TENANT ADVISING OF PROPOSED CAPITAL IMPROVEMENT
SURCHARGE INCREASE

Dear Tenant:

Please be advised that your landlord, _____, has filed an application for a Capital Improvement Surcharge with the Hoboken Rent Leveling & Stabilization Office. The amount of the increase applied for with reference to your apartment is _____.

If you want to review the Capital Improvement Application, it is available for your review at the Rent Leveling & Stabilization Office, 124 Grand Street, Hoboken, New Jersey. Please contact Suzanne Hetman, Rent Regulation Officer, 201-420-2396 to set up an appointment.

(TENANTS MUST BE GIVEN WRITTEN NOTIFICATION OF CAPITAL IMPROVEMENT
APPLICATION THROUGH CERTIFIED MAIL. PROOF OF DELIVERY (GREEN CARD))