



March 9, 2021

Jersey City Council
280 Grove Street, Room 202
Jersey City, New Jersey 07302

Dear Council Members:

We understand there is a proposal to freeze rent increases as part of Jersey City's solution to the COVID-19 Emergency. The Liberty Board believes this proposal is without merit because it does not take into consideration the market changes that have taken place during the last 12 months. Let us explain some facts the Council may not be aware of.

Our MLS reports indicate that there has been an increase of apartments for rent during the last 6 months compared to the previous 6 months of the same period. Though there is an increase in apartments rented, this increase was not as great as the number of apartments coming on the market. To persuade a prospective tenant to rent their apartment, instead of the numerous other apartments available to rent, property owners are now offering concessions to new tenants. The current average rent charged is lower this period than compared to the last period without considering the concessions being offered. Other factors the Council should be concerned with is that for many years Jersey City real estate market has been receiving the benefit of new homeowners and tenants coming from the very expensive New York market. New York's vacancy rate and the concessions being offered to new tenants is much greater than what Jersey City property owners are offering their new tenants.

Recently, we asked Jersey City's property owners to take a survey of the effect of Governor Murphy's COVID-19 Executive Order prohibiting a tenant from being evicted for not making their monthly rent payments. Attached are some of the comments of only 2 and 3 family owner occupied property owners. After reading these comments, we are requesting the City Council join us in contacting the Governor and request that he modify his Executive Order to allow the evictions of tenants for those whose incomes have not been affected by COVID-19. This will help Jersey City show compassion for their owner-occupied small homeowners and will help reduce the number of tax appeals that soon will arrive from apartment building owners this year and next.

It is obvious that very few, if any, property owners will be increasing rents this year, but instead working toward finding ways to satisfy their present tenants. It is more probable property owners may have to reduce rents than increase them in this market climate. The Council should not ignore the fact that property owners are having difficulty paying their operational expenses, including the more than double rate of inflation tax increase Jersey City implemented last year. Please note, we agree the municipal portion of the tax rate did not increase, but it is best to remind the Council members this was due to the increase in ratables. According to the Department of Community Affairs, the municipal portion of taxes collected last year increased by 4 times the rate of inflation.

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If you think it is necessary to continue this discussion, may we suggest you consider discussing the need to create more affordable housing for only those in need and amend the rent control ordinance so that high earning tenants pay market rents in the rent control buildings. This will allow the city to collect higher taxes from these buildings, and these taxes can be used to create affordable housing for only those in need.

We request the City of Jersey City approve a resolution asking Governor Murphy to amend his Executive Order to allow the evictions of tenants for those whose incomes have not been affected by COVID-19. As we have previously informed the Council, if we can assist you in addressing the needs of property owners and tenants, we are always available.

Sincerely,

Joseph W. Hottendorf, Executive Vice President

CC: The Honorable Mayor Fulop
Sean J. Gallagher, City Clerk

I am a single mom, who also was furloughed in 2020. I also had emergency spine surgery in 2020. I own a two family and cannot afford the mortgage just on my salary. I'm a health care worker so I go to work everyday. I have to hire childcare. I have to maintain the property - lawn, snow and pay the water bills. Everything is piling up and overwhelming. If tenants can't pay they should not stay beyond their lease and go look for cheaper housing. I don't understand how squatting and accumulating more debt is going to help anyone.

This tenant was great until she heard that no-one needs to pay Rent; according to Governor and although she can pay Rent she says she cannot be evicted and stopped paying.

I understand this is a world health crisis but both my tenants are working and refused to pay rent with the excuse that our NJ Governor said it was legal not to pay rent due to Covid-19, this is very unfair and its taking a big financial toll on my family, I have kids and a wife to support, this is my life savings. PLEASE HELP US, THIS IS ABUSIVE, how can the law protect one family but not my family?

i am a young 25 year old who bought my property at 24 to change the dynamic of my family and produce generational wealth for those who come after me. Unfortunately the current eviction laws have slowed down my progress and dreams of continuing in real estate because people are taking advantage of these laws. People are able to take vacations and enjoy themselves but are not required to pay rent. Im not sure how these laws are helping anyone except for those who don't want to pay rent. There are no repercussions for not paying your rent but I have to pay my mortgage. If you ask for forbearance it will affect your future for getting home loans so as a small home owner I am at a big disadvantage. Evictions need to be brought back so that home owners like myself can move forward with there lives. Instead of providing free housing for those who are taking advantage of these times.

This is unfair policy and unconstitutional in my opinion. We are not getting any assistance from state and federal government. Governor has given a open blanket to these tenants and tenants with wrong intentions are not paying rent despite having jobs and no financial difficulty.

Tenant is refusing to pay because he know we cant kick him out. He has said this explicitly to the owner.

Tenants are taking advantage , they are paying when they want and not paying at all and they're still working and I can't do anything About it .

My tenant has a job but is way behind on her rent. She treats the rent as an unnecessary expense and leaves it till last

Many tenants taking advantage due to Covid

My tenants are working but they feel the need to pay late or not pay rent at all since they know they can't get evicted. My tenants are not only not paying but breaking the rules of the lease by smoking marijuana inside the apartment and having a family member living with them with no authorization. We need to be able to evict tenants that are working but not complying with the lease rules.

While my heat expense and insurance are costing me more , my rents are not keeping pace with my expenses

One of my tenants was out of work for awhile. I allowed him to pay 1/2 of the actual rent for 3 months without the obligation to reimburse me.

My tenant is abusing the system he is ignoring my phone calls and dont pay becuse their is no evictions he didnt even pay from dec 2019 please help me out if u could.

My tenant sent me an email on April 1st, 2020 and she let me know it was governor Murphy's execution order. Since then, they never paid. The monehtly rent is \$6000 per month. Additionally, they had a lot of complaints from neighbors, management companies, board because of making noise and wearing masks. They often break my property and I requested the access for the inspection many times but they refused with the excuse of COVID19. Not only me but also neighbors and management office are frustrated by governor Murphy's execution order. I really appreciate this survey and you are trying to help people under the similar situation as me. Thank you very much.

MY tenant income was not affected by covid , im a small landlord and im struggling to pay the bills to mantain my building.

As a property owner I am facing extreme financial hardship due to UNPAID rent. The tenants are employed and not paying rent because the State/Government has told them they do not have to pay rent and they cannot be evicted. The tenants have told me this verbally. The tenants now ignore my phone calls and emails. Before the No Eviction Order the same tenants were always paying rent on time. The tenants have already told me they will not be paying future rent. Here is their plan: They will wait and not pay rent as long as they can. Once the No Eviction Order is over they will simply move to a new apartment. They would rather pay \$3000 to a new landlord than pay the \$10,500 back rent. I will never recoup the lost \$21,000 and growing back rent. The State/Government has totally disregarded, abandoned and victimized the small property owner. To make matters worse the State has made no concession for property taxes and demanded payment or face tax liens. There are NO Rental Assistance Programs for 2 Family Property Owners. Even if there were Rental Assistance Programs for 2 Family Property, I cannot contact the tenants and it is of no interest of the tenants to apply. In order for a Rental Assistance Program to work the Landlords must be able to apply on behalf of the tenants. Because of the No Eviction Order I am going to be forced to lose my property.