

## 10 Errors...or Lies – You Decide

The Hoboken Fair Housing Association is working very hard at convincing local residents and officials of preposterous claims in an effort to maintain their relevance. The HMFA website, and presumably tonight's event, contain inexcusable inaccuracies that divert attention from the true issues that are driving the effort to reform rent control in Hoboken. The central fact is, the effort to reform rent control will have no impact on existing tenants, but will relieve property owners, especially those in condominiums and small private properties, of the worst-administered and most restrictive rent control ordinance in the country. Its harms are detailed at [www.hobokenmsta.com](http://www.hobokenmsta.com), but we direct your attention now to the reprehensible lack of integrity that has characterized as desperate attempt to sustain a regime whose relevance has evaporated and whose negative impact on Hoboken are indefensible:

- 1) HFHA positions itself as an ally of the small homeowner, when in actuality its mission has perpetuated unconscionable harms on property values and conditions. When the small homeowner proposed an amendment to Hoboken's rent control law that would allow their properties be decontrolled upon vacancy, HFHA fought to keep them permanently under rent control – delivering benefits to new residents of Hoboken who have sufficient income to pay market rents. Some of HFHA's activity included scare-mongering mailings claiming that public housing and senior housing tenants would be evicted from their apartments if the Hoboken Housing Initiative passed, when in fact, these tenants are not affected by rent control in any way.
- 2) HFHA misrepresents revaluation. HFHA's interest in revaluation is to maintain lower values for small homeowners because this prevents increases in taxes from being passed along to tenants. This is HFHA's defining policy: maintaining subsidies for tenants despite that they shift the tax burden to other entities. By keeping values of rent control properties low, the city must increase its tax rate on other properties to generate revenues necessary to run the city. HFHA's mission is that tenants, who consume more city services than condo and single-family homeowners, are determined to avoid paying their share. In truth, property values are increasing in Hoboken even under rent control, although not as dramatically as non-controlled property. The added taxes that come with added value must be passed along to the tenant by law. Dressing themselves as friends of the small homeowner is an insult to all small homeowners.
- 3) The revaluation firm hired by Hoboken is one of only several qualified to perform this work in New Jersey. Charles Gormally was mayor of Mountain Lakes for 2 years, not 8, and was seated during a statutory revaluation by a firm selected by the Mountain Lakes Council. If there were a conspiracy for Hoboken to assist property owners in any way, as HFHA's accusation of "conflict of interest" states, it would not be through hiring a revaluation firm with no ties to a former public official from another county. Instead, if Hoboken truly had an interest in the property owner's interest in the topic of rent control at all, it would not be

- joining frivolous motions to undo judicial orders to which it was not even a party, and to which the parties who were involved are all in agreement.
- 4) MSTTA has never been a party to a losing lawsuit and in any case where a motion for intervention by tenants was allowed, the matter was ultimately decided in favor of MSTTA. Most property owners who sue Hoboken in relation to the rent control ordinance win. A class action lawsuit brought by property owners represented by Mr. Gormally was dismissed but the decision is under appeal. MSTTA is not a party to that suit.
  - 5) Property revaluation is a mathematical reality that utilizes established professional processes. It is not subject to the manipulations that the tenants, whose paranoia and manipulation of the facts long since past the threshold of outrageous, have accused. The truth is, revaluation is a problem for tenants protecting rent control because it reveals the economic inequity of the program as well as prospectively confronting tenants with their share of the higher costs. We have attached a chart that was compiled by an accountant that demonstrates the massive loss of ratables and value use a result of rent control that will be revealed in Hoboken by revaluation. The assertions made by tenants are never backed up by math or facts, only by innuendo and accusations that do not survive thoughtful analysis. Market value is a not a speculative assignment by the reval firm, it is based on local sales of like properties. Please visit <http://hobokenreval.com> for a factual analysis of the revaluation process.
  - 6) The revote on the Hoboken Housing Improvement Initiative has been mischaracterized. In an attempt to accommodate voters who were displaced by Hurricane Sandy, the State announced it would allow voters to vote at any polling place and assured them that they would be able to vote on all of their local elections. However, Hoboken ballots were only available in Hoboken, so voters who cast ballots outside of Hoboken were not able to vote on the local elections, despite being told they could. The Vacancy Decontrol public question was decided by just 52 votes, and because as many as 200 voters cast ballots that did not offer the question, Superior Court Judge Christine Farrington determined that voters were disenfranchised of a constitutional right and she ordered a new election. What other decision could she have made? It was not appealed by any of the principals who were part of the trial, including the County Board of Elections special attorney and States Attorney General.
  - 7) It's so-called "brilliant briefs" have only resulted in HFHA being provided status as an "intervener" who can to appeal a decision based on its record. None of the attorneys who were party to the case, which HFHA was denied participation in, appealed the case, because the nature of it was so open-and-shut. All of the hysterical nonsense-claims made by HFHA have been dismissed and will never even be reviewed by the courts.
  - 8) A recent case brought by Cathy Cardillo, who has consistently supported HFHA's positions and has been the attorney at the center of millions of dollars in awards to tenants from property owners, recently caused condominium owners to lose an important protection from rent control In the case, an apartment was rented by its resident and was later converted.

The resident purchased at conversion and occupied for several years. Upon vacating the unit, the resident took a full decontrol as is customary. The tenant asked for a legal rent calculation and appealed it based on the ordinance containing no reference to an allowance to decontrol condo units. Because of mismanagement of the rent leveling ordinance by Hoboken, which was sited as having administered the ordinance so poorly as to be unconstitutional, a court found that no condo owner was entitled to decontrol their unit despite having occupied it. HFHA has consistently insisted that condo owners be covered by rent control in Hoboken, which is the only city in the state of New Jersey where condominiums are regulated by rent control. Contrary to the assertion that this could force the sale of small homes, which HFHA certainly holds no interest in, the impact of the reval on small homeowners will be felt by the tenants, not the property owner.

- 9) HFHA claims to have “soundly defeated” the Hoboken Housing Improvement Initiative. It won by 52 votes out of 16,440 cast on the matter – 50.03 to 49.97. Its credibility on that basis alone tells you all you need to know about the rest of its claims.
- 10) HFHA claims to have “Spent a pile of money” on legal activity around the campaign? This is an election matter, and under New Jersey law, the expenses surrounding this activity should be reported to ELEC. Where did the money come from? Where was it spent? Shouldn't everyone know that?