

October 21, 2013

**Mayor and Councilmen and Councilwomen:**

**A YES VOTE ON LOCAL QUESTION 1 IS RIGHT FOR HOBOKEN**

Rent control is Hoboken's most persistent policy problem and its most divisive political issue. A yes vote On November 5th solves the major public affairs rent regulation issues in Hoboken and seeds solutions to the remaining technical problems with the administration of the ordinance.

Hoboken's residents and elected officials have had to confront a five-year cycle of public hearings, Referenda, lawsuits and endless rhetoric. Please consider just five issues that point to supporting a Yes vote:

**1) Condo owners face twin perils of rent control liabilities and revaluation impacts.** They have the highest property taxes in the state on a per square foot basis, and yet they fall under rent control ordinance that avails most of them to regulated rents that are less than their maintenance fees. A recent legal decision reverses a policy of decontrolling owner-occupied units, leaving all condo owners vulnerable to the same types of cases that resulted in multi-family owners losing tens of millions of dollars. Now every time a condo goes up for sale it will be subject to disclosures that reduce its value because it is impossible to rent condos legally for enough rent to pay taxes and maintenance – forget support a mortgage. This circumstance points to a massive cycle of property tax appeals at a time when Revaluation already will cause upheaval in the real estate market. *A yes vote immediately resolves all phantom-liability issues for all condo owners in Hoboken and protects their property values going forward.*

**2) Small homeowners need relief from threats to their family assets.** Very few cities in New Jersey provide rent control protection to 2-4 family residences because their nature is to be owned by small homeowners rather than professional investors. In Hoboken many of these properties have been converted to single family homes or condominium units – and with increased taxes and upkeep costs, the economic pressure to convert grows as these properties age. Without rent control reform Hoboken will lose this entire segment of the market to conversion when, in fact, many of these owners would prefer to keep the property in their families. *A yes vote preserves rental properties in 2-4 unit buildings that otherwise will be converted to condominiums.*

**3) Multi-family owners should be enabled to improve their properties and operate efficiently.** Most of Hoboken's rent controlled housing stock is at least 50 years old and some of it is more than 100 years old. Replacing systems and renovating apartments is impossible when long-term residents move out of \$400 per month apartments whose rents can only rise to \$500. Stranding the housing

stock with artificially low rents has other impacts, including constraining prospective increases in property valuation that leads to greater tax revenues – supplying tax relief to all other classes of property owners who currently subsidize the rent control properties. *A yes vote provides an opportunity for Hoboken to improve its housing stock and tax revenues from multi-family buildings.*

**4) The public needs relief from the costs and uncertainties from the continued miss-administration of Hoboken’s rent-leveling ordinance.** As an example, despite that the Z-88 amendments putatively allowed the opportunity to provide proof of compliance with the law to overcome technical problems, the rent leveling office and board continues to act in an arbitrary, capricious and unconstitutional manner. Hoboken boasts the highest legal costs for rent control of any municipality in New Jersey and property owners continue to be deprived of due process and the value of their real estate. *A yes vote resolves most of the issues that have proved impossible for the rent leveling office and board to equitably administer in Hoboken.*

The Hoboken Housing Improvement Initiative balances the interests of the City, property owners and tenants, and deserves your support. The amendment specifically protects existing tenants the same as the day they moved in three critical ways:

**a) Ensures protections against harassment and eviction.** Eviction laws in New Jersey are the toughest in the country and they remain exactly as they are under H2I2, including in 1-3 unit owner occupied properties.

**b) Every tenant has the right to a perpetual tenancy.** Unless they are using the apartment illegally or they are woefully behind on their rent, existing tenants can be here through the rest of their lives with no threat to their residency.

**c) Tenants are protected by habitability conditions enforced by the Hoboken Buildings Department.** If anyone is concerned about a lack of attention to the conditions of an apartment, then they should call the building department for an inspection. The department has the right to punish landlords and enforce the upkeep of every apartment.