

In Case You Missed This!

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Joseph C. Cornwall Center
for Metropolitan Studies

School of Public Affairs and Administration | Newark

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Our Vision

The Joseph C. Cornwall Center strives to be:

-A key resource in the production of "usable" knowledge for the public, private, and nonprofit sector development in Newark, the northern region of New Jersey and beyond.

-A central force convening key civil society individuals and institutions as they engage in and pursue the economic, political, and cultural revitalization of Newark.

-A forceful agent for the economic and administrative coordination and cooperation of Newark and its surrounding communities.

-A national model for what a university-based center can accomplish working with regional, local, and community partners.

From the Director's Desk

Tuesday, July 2, 2013

Greetings,

Please see the attached article.

All the best





Woodbridge development's rent increase spurs statewide legislation

Woodbridge-Hills.JPG

Residents at the Woodbridge Hills development were behind a bill passed by the Legislature to protect seniors from rent hikes in towns with rent control laws. *(Tom De Poto/The Star-Ledger)*

Tom De Poto/The Star-Ledger By **Tom De Poto/The Star-Ledger**

on June 30, 2013 at 9:18 AM

"Older, gentrifying towns have passed measures to relax rent control." -- Roland Anglin

Six years ago, the tenants at Woodbridge Hills, a gated rental community for people 55 and older in Woodbridge, were hit with a steep rent increase. At the same time, an incentive offering one rent-free month every year ended. In some instances, rents leaped by \$2,400 to \$2,600 a year.

Woodbridge Township, however, is one of about 100 New Jersey communities with rent control laws that cap increases, usually around 2.5 percent. When the end of the incentive and an 8.5 percent rent increase were combined, it amounted to nearly an 18 percent hike.

"We were unaware of a law that gave (the landlords) carte blanche to raise rents," said Ed Gorman, a Woodbridge Hills resident and vice president of the tenant association. "We love the community and we love living here, but we couldn't afford it."

A 1987 law designed to spur construction said new multifamily buildings would be exempt from local rent control laws for 30 years.

Gorman and his wife, Josephine, have lived in the complex since 2005, but the building fell under the exemption, which meant rent control laws didn't apply to them.

"The vast majority of people here are well over 62 and into their 80s and 90s," Gorman, 89, said. "We have a high percentage of veterans and widows. It created quite a hardship."

A measure that would extend rent control protection to senior complexes such as Woodbridge Hills cleared the Legislature last week and awaits Gov. Chris Christie's signature. The governor has not commented on the measure and sponsors said they weren't sure of its fate.

The new bill would allow let the waiver continue for buildings less than 30 years, but not on housing in which at least 90 percent of residents are 55 and older.

New Jersey is one of four states — New York, Maryland and California are the others — along with Washington, D.C., that allow rent control.

"For seniors, there needs to be some level of protection from excessive rent hikes," said state Sen. Joe Vitale (D-Middlesex), a sponsor of the senate version. In the Assembly, the bill was sponsored by Craig Coughlin (D-Middlesex).

Vitale said the bill aligns state policies with the federal Fair Housing Act. Opponents, however, say the bill could do more damage than good.

"They've taken a uniquely local situation and turned it into statewide policy," said Conor Fennessy, vice president of the N.J. Apartment Association. "There was no need for this bill."

Fennessy said rent control, in which a municipality limits the amount landlords can raise a tenant's rent, "isn't affordable housing. It's need-blind. It doesn't matter how affluent you are."

He said the bill could end up having a negative effect on future senior housing.

"Developers won't build if there's a chance they can't keep up with costs, and banks won't give mortgages. As Baby Boomers age, demand for apartments will increase, making the marketplace for them more expensive," he said.

Ron Simoncini, a spokesman for NJAA, said, "It's not about seniors, it's about construction. Politicians have guaranteed there'll be no new senior housing construction in these towns now."

Simoncini said municipalities have been trending away from rent control as they try to boost tax revenues. Higher rents translate to higher property values and taxes, said Simoncini.

About a dozen municipalities have elected to ease back on rent control laws in the past few years, including Hoboken, Edgewater, Maplewood and New Brunswick, among others.

"Older, gentrifying towns have passed measures to relax rent control," said Roland Anglin, director of the Joseph C. Cornwall Center for Metropolitan Studies at Rutgers University. "They are looking for money from the property owners to support services."

Young suburbanites moving to older cities for the conveniences of urban life are more willing to pay market rates, he said.

Anglin called measures like Vitale's and Coughlin's to protect senior citizens "the pernicious part of it. Take a town

like a Hoboken — it's a gentrifying situation in which many of the renters have disposable income and are willing to pay for services. It's a situation the town wants to happen."

Anglin noted "the Legislature is saying, 'We're willing to relax rent control except for the elderly.' New Jersey is a very unique rental market, and before we go straight to relaxing it totally, we need more public deliberation."

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