

SENATE, No. 422

STATE OF NEW JERSEY
219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Senator SHIRLEY K. TURNER

District 15 (Hunterdon and Mercer)

SYNOPSIS

Establishes standards for expiration of rental housing affordability controls.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning rental housing affordability control periods and
2 supplementing P.L.1985, c.222 (C.52:27D-301 et seq.).

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. As used in P.L. , c. (C.) (pending before the
8 Legislature as this bill):

9 “Affordability controls” means the requirements set forth in the
10 Uniform Housing Affordability Controls to ensure that a restricted
11 rental unit remains affordable to a low-income household or
12 moderate-income household, as applicable.

13 “Restricted rental unit” means a rental dwelling unit that is
14 subject to affordability controls.

15 “Uniform Housing Affordability Controls” means the regulations
16 promulgated by the New Jersey Housing and Mortgage Finance
17 Agency, or any other regulations promulgated to implement the
18 “Fair Housing Act,” P.L.1985, c.222 (C.52:27D-301 et seq.).

19

20 2. a. When the affordability controls of a restricted rental unit
21 expire, and the household occupying the rental unit continues to
22 earn a gross annual income of not more than 80 percent of the
23 regional median income, then the landlord shall not increase rent in
24 a manner that conflicts with the affordability controls until the
25 household elects to vacate the rental unit.

26 b. When the affordability controls of a restricted rental unit
27 expire, and the household occupying the rental unit earns a gross
28 annual income in excess of 80 percent of the regional median
29 income, then the landlord may lease the rental unit at fair market
30 rent beginning on the next scheduled lease renewal or after 60 days,
31 whichever occurs later.

32

33 3. a. When a landlord offers for rent a restricted rental unit, the
34 lease or renewal agreement shall contain a prominently displayed
35 and highlighted provision on the first page of the written document
36 that states the date on which the affordability controls will expire.
37 The provision also shall inform the tenant of the possibility of rent
38 increases in accordance with subsection b. of section 2 of P.L. ,
39 c. (C.) (pending before the Legislature as this bill), following
40 the expiration of the affordability controls.

41 b. If upon the expiration of affordability controls, the lease or
42 renewal agreement of the household occupying the rental unit fails
43 to comply with subsection a. of this section, then the landlord shall
44 not increase rent in a manner that conflicts with the affordability
45 controls until the next scheduled lease renewal, except as otherwise
46 provided in subsection a. of section 2 of P.L. , c. (C.)
47 (pending before the Legislature as this bill).

1 4. a. The landlord of a restricted rental unit shall provide
2 written notice to the tenant not less than 120 days before the
3 scheduled expiration of the affordability controls. The written
4 notice shall, at a minimum, include:

5 (1) the date on which the affordability controls will expire;

6 (2) the amount of any proposed rent increase; and

7 (3) an explanation that if the household occupying the rental
8 unit continues to earn a gross annual income of not more than 80
9 percent of the regional median income, the rent may not be
10 increased in a manner that conflicts with the affordability controls.

11 b. Except as otherwise provided in subsection a. of section 2 of
12 P.L. , c. (C.) (pending before the Legislature as this bill), if
13 the landlord fails to provide written notice in accordance with
14 subsection a. of this section, then following the expiration of the
15 affordability controls, the landlord shall not increase rent in a
16 manner that conflicts with the affordability controls until the next
17 scheduled lease renewal, or after 120 days following the provision
18 of the written notice, whichever occurs later.

19
20 5. This act shall take effect immediately.

21 22 23 STATEMENT

24
25 This bill establishes standards for the expiration of rental
26 housing affordability controls, such as extending the rental
27 protections provided for certain lower-income households and
28 requiring written notice before the controls may expire.

29 Specifically, the bill provides that if upon the expiration of the
30 affordability controls, the household occupying the restricted rental
31 unit continues to earn a gross annual income of not more than 80
32 percent of the regional median income, then the landlord may not
33 increase rent in a manner that conflicts with the affordability
34 controls until the household vacates the rental unit. Alternatively, if
35 at such time the household earns an income in excess of 80 percent
36 of the regional median income, then the landlord may lease the
37 rental unit to any tenant at fair market rent beginning on the next
38 scheduled lease renewal or after 60 days, whichever occurs later.

39 The bill also requires the lease or renewal agreement of a
40 restricted rental unit to contain a prominently displayed and
41 highlighted provision that states the date on which the affordability
42 controls will expire. If the lease or renewal agreement does not
43 contain this provision, then the landlord may not increase rent in a
44 manner that conflicts with the affordability controls until the next
45 scheduled lease renewal.

46 In addition, the bill requires the landlord of a restricted rental
47 unit to provide the tenant with written notice not less than 120 days
48 before the scheduled expiration of the affordability controls. The

1 written notice is required, at a minimum, to include: (1) the date on
2 which the affordability controls will expire; (2) the amount of any
3 proposed rent increase; and (3) an explanation that if the household
4 occupying the rental unit continues to earn a gross annual income of
5 not more than 80 percent of the regional median income, the rent
6 may not be increased in a manner that conflicts with the
7 affordability controls. If the landlord fails to provide this notice,
8 then following the expiration of the affordability controls, the
9 landlord may not increase rent in a manner that conflicts with the
10 affordability controls until the next scheduled lease renewal, or
11 after 120 days following the provision of the written notice,
12 whichever occurs later.