

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

As reported by the Senate Community and Urban Affairs Committee with technical review.



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