

ASSEMBLY, No. 586

STATE OF NEW JERSEY

220th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2022 SESSION

Sponsored by:

Assemblyman WILLIAM W. SPEARMAN

District 5 (Camden and Gloucester)

Assemblywoman ANGELA V. MCKNIGHT

District 31 (Hudson)

Assemblywoman VERLINA REYNOLDS-JACKSON

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:*

6

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

9 “Administrative agent” means the entity responsible for
10 administering the affordability controls with respect to specific
11 restricted units.

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

16 “Restricted rental unit” means a rental dwelling unit that is subject
17 to affordability controls.

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

22

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

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

35 c. No more than 180 days, and no less than 90 days prior to the
36 expiration of the affordability controls of a restricted rental unit, the
37 administrative agent shall conduct an income certification for the
38 household occupying the unit in order to determine the appropriate
39 course of action regarding rent increases on the unit. As long as the
40 household occupying the restricted rental unit continues to reside in
41 the unit, and continues to earn a gross annual income of not more than
42 80 percent of the regional median income, the administrative agent
43 shall conduct an additional income certification on an annual or
44 biennial basis until the household is found to earn a gross annual
45 income in excess of 80 percent of the regional median income, at
46 which time the rent restriction may be lifted pursuant to subsection b.
47 of this section.

1 increase rent in a manner that conflicts with the affordability
2 controls until the household vacates the rental unit. Alternatively, if
3 at such time the household earns an income in excess of 80 percent
4 of the regional median income, then the landlord may lease the
5 rental unit to any tenant at fair market rent beginning on the next
6 scheduled lease renewal or after 60 days, whichever occurs later.

7 The bill provides that, no more than 180 days, and no less than
8 90 days prior to the expiration of the affordability controls of a
9 restricted rental unit, the administrative agent would be required to
10 conduct an income certification for the household occupying the
11 unit in order to determine the appropriate course of action regarding
12 rent increases on the unit. The bill defines an “administrative
13 agent” as the entity responsible for administering the affordability
14 controls with respect to specific restricted units. Further, the bill
15 provides that as long as the household occupying a restricted rental
16 unit continues to reside in the unit following affordability control
17 expiration, and continues to earn a gross annual income of not more
18 than 80 percent of the regional median income, the administrative
19 agent would be required to conduct an additional income
20 certification on an annual or biennial basis until the household is
21 found to earn a gross annual income in excess of 80 percent of the
22 regional median income, at which time the rent restriction could be
23 lifted.

24 The bill also requires the lease or renewal agreement of a
25 restricted rental unit to contain a prominently displayed and
26 highlighted provision that states the date on which the affordability
27 controls will expire. If the lease or renewal agreement does not
28 contain this provision, then the landlord may not increase rent in a
29 manner that conflicts with the affordability controls until the next
30 scheduled lease renewal.

31 In addition, the bill requires the landlord of a restricted rental
32 unit to provide the tenant with written notice not less than 120 days
33 before the scheduled expiration of the affordability controls. The
34 written notice is required, at a minimum, to include: (1) the date on
35 which the affordability controls will expire; (2) the amount of any
36 proposed rent increase; and (3) an explanation that if the household
37 occupying the rental unit continues to earn a gross annual income of
38 not more than 80 percent of the regional median income, the rent
39 may not be increased in a manner that conflicts with the
40 affordability controls. If the landlord fails to provide this notice,
41 then following the expiration of the affordability controls, the
42 landlord may not increase rent in a manner that conflicts with the
43 affordability controls until the next scheduled lease renewal, or
44 after 120 days following the provision of the written notice,
45 whichever occurs later.