CITY OF UNION CITY
HUDSON COUNTY, NEW JERSEY
RENT STABILIZATION BOARD

REGULAR MEETING : TRANSCRIPT OF
: PROCEEDINGS

Union City City Hall
2nd Floor Courtroom
3715 Palisade Avenue
Union City, New Jersey

Monday, April 8, 2024
Commencing at 6:39 p.m.

M E M B E R S P R E S E N T:

JUAN MILAN, CHAIRMAN
SANDRA VASQUEZ, VICE CHAIRPERSON
NORMA GUEVARA, COMMISSIONER
ROSANA COLON, COMMISSIONER
YDALY POZO, COMMISSIONER

M E M B E R S A B S E N T:

YAMIRUS HOLGUIN, COMMISSIONER
ORQUIDIA SANCHEZ, COMMISSIONER

A L S O P R E S E N T:

NEIL D. MAROTTA, ESQ., Board Counsel

KENNEDY NG, Administrator

CHRISTINA M. RIVERA, ESQ., Tenant Advocate

FRANCOIS NUNEZ, Staff Member

KENNY CABALLERO, Staff Member

CASMILA SOLIS, Staff Member

JOSE GONZALEZ, Interpreter

A P P E A R A N C E S:

RON KURZEJA, ESQ.
Attorney for some tenants at 703A-707
28th Street

MELE & ASSOCIATES
BY: GREGG MELE, ESQ.
Attorney for landlord at 703A-707
28th Street

ROBERT MAYEROVIC, ESQ.
Attorney for landlord at 711 10th Street

I N D E X

I N D E X

711 10th Street

E X H I B I T S

MR. NG: This is the meeting of the rent leveling board, today's date is April 8, 2024 and the time now 6:39. We are in the municipal court chambers, 3715 Palisade Avenue, Union City, New Jersey.

Pursuant to the open public meetings law, adequate notice of this meeting was provided to The Bergen Record, The Jersey Journal, and The Hudson Reporter more than 72 hours in advance of the meeting and is posted at the municipal offices. The notice includes the date, time, location, and to the extent known the agenda for the meeting.

Please rise for the flag salute.

(Whereupon, the Pledge of Allegiance was recited.)

ROLL CALL:

MR. NG: At this time, I'm going to do the roll call.

Commissioner Norma Guevara.

COMMISSIONER GUEVARA: Yes.

MR. NG: Commissioner Ydaly Pozo.

COMMISSIONER POZO: Present.

MR. NG: Commissioner Yamirus Holguin, not present.

Commissioner Vice Chairman Sandra Vasquez.

VICE CHAIRPERSON VASQUEZ: Present.

MR. NG: Commissioner Rosana Colon.

COMMISSIONER COLON: Present.

MR. NG: Chairman Mr. Juan Milan.

CHAIRMAN MILAN: Present.

MR. NG: We have the interpreter today, Mr. Gonzalez, present. So we have a quorum.

508 28TH STREET, APT. 2L -
Decline of service:

MR. NG: And, Mr. Marotta, I don't know if we're going to follow the same sequence of the agenda?

MR. MAROTTA: We actually can follow the sequence. The first matter on is 505 28th Street, Apartment 2L, is a decline in service matter. The property owner submitted -- well, the attorney for the property owner submitted a request for adjournment. This is the first request. The attorney is Tomas Paneque and he is overseas, he's on vacation.

CHAIRMAN MILAN: Mr. Paneque is overseas. This is the first adjournment?

MR. MAROTTA: First time requesting the adjournment.

CHAIRMAN MILAN: Since it's the first one and counsel is overseas, I guess we can grant it.

So I make a motion that for 505 28th Street, Apartment 2L, decline of service case, we or we table it until a further meeting, as able to be set in the proper agenda by the administrator.

MR. NG: Okay. So the motion was made by our Chairman, Juan Milan.

VICE CHAIRPERSON VASQUEZ: I'll second that.

MR. NG: Second by our Vice Chairman, Sandra Vasquez. Roll call.

Commissioner Norma Guevara.

COMMISSIONER GUEVARA: Yes.

MR. NG: Commissioner Ydaly Pozo.

COMMISSIONER POZO: Yes.

MR. NG: Commissioner and Vice Chairman Sandra Vasquez.

VICE CHAIRPERSON VASQUEZ: Yes.

MR. NG: Commissioner Rosana Colon.

COMMISSIONER COLON: Yes.

MR. NG: Chairman Juan Milan.

CHAIRMAN MILAN: Yes.

MR. NG: Motion has passed.

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703A-707 28TH STREET, ALL APTS. - NEW CONSTRUCTION:

MR. MAROTTA: The next matter is 703A-707 28th Street, I'm going to bring a chair up here for Mr. Mele. This matter, we had begun a hearing on this matter and it was carried. The purpose to carry it was to afford the property owner, at their request, to obtain a witness, the prior property owner who issued -- claims to have issued a notice of a claim of exemption. And Mr. Mele had arranged to have that individual appear by Zoom tonight. However, subsequent to that, on Thursday, we received a request from Mr. Mele for adjournment because his client is ill and/or under doctor's supervision. I'll really let Mr. Mele explain the basis for his adjournment request.

I asked him for some more information, which he submitted today. I asked for that earlier this morning. And he submitted more information today. And we have counsel for the tenants here, Mr. Ron Kurzeja and Christina Rivera.

CHAIRMAN MILAN: Okay, sir.

MR. MELE: Thank you. And, firstly, I

know this file has carried a long time, so I apologize for another request. But I was surprised on Thursday with the notification from my client. He had previously had open heart surgery and he has a new valve and the aorta was replaced and that's the extent of the details I've gotten so far. It was a fairly serious operation, of course. And he is required by his doctor, who -- my client is from originally Turkey and his doctor is there. He's required to go at least for an annual visit to check on things. And he usually has to stay for a matter of some weeks to have some more bed rest and whatever, get away from things.

He is in the midst of making the arrangement for going for that checkup. But in the meantime, because it's about the year or maybe a little over the year, I'm not sure of the exact date, but basically his doctor has forbidden to go to any kind of meetings with stress or whatever else. He says he's not allowed to come here and that's why he's not here with me tonight, one way or another. I know that can potentially now put me in a tough spot relative to the case, if the adjournment is not granted. But I would ask that in spite of the history of the case being carried, that it be considered for another adjournment.

I'm going to be keeping tabs on my client going forward now. Initially, he believes that he would probably be back for the June meeting in terms of the calendar. But I will be talking to him in the meantime. If he's well enough, I may be able to do a Zoom with him next month. But that's the possibilities that I don't have answers for you yet, I'm sorry to say. But that's what I know as of Thursday, when I sent the official request over.

MR. MAROTTA: And the reason I asked -- I advised, first of all, Mr. Mele, that I cannot make the adjournment, I can't grant the adjournment, the board can grant the adjournment. In those situations where it's the initial request, obviously, the office can grant it because or advise that it would be granted because that's our policy. After that initial adjournment, adjournment can be provided under extraordinary circumstances.

So at first look, it's an extraordinary circumstance that's being presented, somebody's health. However, part of the reason I requested

Mr. Mele not rely upon his email and letter is if the board is so inclined to grant the request, I believe that we need to formalize a method by which this matter will go forward, okay, one way or the other. And my concern is that to push it out to June, without anything further stating what the issue is, for example, a note from the doctor saying under the circumstances he's not permitted to, you know, to work, he's not permitted to be in a stress situation, you know, what Mr. Mele already stated on the record. But no offense to Mr. Mele, but he's not a doctor -- well, he is a doctor, but not the right kind of doctor.

MR. MELE: Thank you, actually, yes, but I got you.

MR. MAROTTA: Not the right kind of doctor. So -- and then also we received a request, before any of this was relayed to Ms. Rivera -- not a request, but an objection to the adjournment, from Ms. Rivera. And I know that Mr. Kurzeja had also shown concern about the request and also expressed to me that he wanted some certainties as to what was going to take place.

So all that being said, I would request that they comment.

MR. KURZEJA: I'm Ron Kurzeja, you know I've been here a number of times. I just want to point out that I think we all -- I want to be as neutral and as fair as possible. I think we all have to be considerate to medical issues, they come up when they come up. People, you know, do have problems from time to time. So I'm not here to criticize any of that. But what I really wanted to advise this board is that this is an old case. Two of the tenants are here tonight and these folks, I think, have been here on every meeting. I think I've been here three times. Why don't you folks stand up, Tamara Miller and David Picer.

I want to bring to your attention the human aspect of this and why this board should consider everything and reach some determination ultimately. These people are not attorneys, okay. They don't have routine interactions like we do with boards and courts every day. I've gotten to the point where, in my life, it's not stressful coming to court. I assume Christina can say the same thing, you can, and Mr. Mele probably can also. But for people who aren't attorneys and don't come to court and don't face the stress and what happens in a hearing, you got to understand that this very uncertain for them.

These folks moved into a building a couple years ago -- I'm not here to testify and we're not asking them to testify right now. But what I want this board to understand is there really isn't only one case here, okay, there are multiple cases. There's the -- I'm going to call them the applicant, the property owner who's seeking to establish this building as a building exempt from rent control. The tenants moved into this building. And for the obvious reason that you heard testimony about already, the building has issues when it comes to the exemption. But there are really two parts to this case, and I say multiple cases, because there were six people who were very interested. I should point out that Joshua Roque has somehow been reassigned in the military and he gave up his lease and he's no longer in Union City. I think he's been reassigned to Virginia or wherever it is, but he's out of the picture. But there are five people in a nine unit building, I don't know what's going on with the other four people, but they have probably some of the similar issues.

And these folks, I want this board to understand, moved into a building -- I know from my discussions with them, that they believe it was rent controlled. And their lives are, you know, being made stressful by the fact that they don't where they're going to be a year from now or six months from now. And it's all based upon the determination of this case. I'd like to believe that I can be successful for them and Christina can be successful for them. And what we would like to do or what I believe I can do -- and once again, I'm not arguing the case I made my opening statement and some of this is overlapping -- we would like to think that unfortunately for the landlord, not the health issues, but substantively, that we will prevail, so that they can go on with their lives in a normal manner.

Right now, they're living the uncertainty of not knowing what's going to happen perhaps in six months, maybe three months, maybe nine months, who knows what. But I made the statement because you're here listening to the applicant's attorney asking for a medical adjournment. I'm sympathetic to it to the extent that people do have medical problems, but by the same token, these folks don't have medical problems, but they have stress that's been induced by these proceedings. And I think it would be up to the board -- and I know I had conversations with Neil about trying to put -- I don't know what I would call it, put constraints on this case to get it over so that these people know where they are.

They're probably in a much different position than is the landlord. One thought is that if this board takes forever to decide this case, they're probably protected during that whole time period. But you got to consider the fact that they're giving up their time, they're facing the uncertainty. So for all practical purposes, we've got to get this thing done with some guidelines that have to have some force and effect.

MR. MAROTTA: I may just to --

MR. KURZEJA: I'm sorry, that's all I wanted to say.

MR. MAROTTA: Great. Thank you, Ron. Just to add onto that, I understand that in the past, the property owner had tried to get the current tenants to sign new leases that carried language the property was exempt from rent control. And I had expressed that to Mr. Mele sometime in the past. And one of the parameters I would request that Mr. Mele confirm that no further interaction with the tenants concerning a lease changing the parameters would be set forth.

MR. MELE: I mean I'm not aware of anything being signed that went beyond that.

MR. MAROTTA: I don't think any of the tenants signed it.

MR. MELE: Okay.

MR. MAROTTA: But that adds to Mr. Kurzeja mentioned stress.

MR. MELE: Okay. And if I may, just, you know, from my client's perspective, I mean certainly -- I mean they had gone with the first set of renewals, that's when they actually found out that it hadn't been exempted after all. And it wasn't that my client knew it was rent controlled and still went ahead anyway and wrote their own lease the way they wanted to. It was never like that.

MR. MAROTTA: Just so you know, I agree. I'm not saying that your client --

MR. MELE: Just to give the fuller

picture of that part of it. And I don't know if you finished?

MS. RIVERA: I mean I'm just going to co-sign Mr. Kurzeja's statement.

MR. MELE: And if I can just say two quick things in response to some of your comments. In terms of six months, a year from now, whenever the lease is due to renew, I mean when is that not an uncertain time for folks? I mean maybe to different measure of degree, but every year, you will have some kind of rent increase, typically. And the tenant may decide that that's not the right spot for them anymore. There's no way to guarantee further out into the future. I can't tell them five years from now any of them are going to be in the building. Nobody knows that. So while the uncertainty of what this means to the cost, granted that's why we're here, and I can appreciate that. And I can appreciate the time it's taken to get everything together on this, believe me.

But also an offshoot of a point here is I mean to the extent of the delay in resolving the case, I would argue that my client is the one that hurts the most by delays because we don't have any certainty about where things go. Does he have to sell the building because he can't make back the funds from the purchase price that reflected from between buyer and seller, an understanding of rent control exemption. And based on the paperwork that I've previously presented that can't be found in the office anymore here, but certainly was among the package that was filed with the letter that we're -- the issue is the letter requesting the exemption that was not found in the file, but that was part of a bigger package, including all the plans for the reconstruction to be new construction. And somehow that whole package is not in the office anywhere here. Because my OPRA request was for the entire building, every office in the building, anything to do with this property. And none of that paperwork came back, not just the one letter is missing.

So, you know, I think it's fair to say that there's a likelihood that a package got lost. And the reason I say that in particular is because of those plans, that is the only way the seller was able to get the CO that they obtained for the closing to sell to my client. So it had to be here and had be processed, whether it's still here or not.

So, in my view, you know, there's a fairly good argument there to say that this paperwork was here and delivered at the time it had to be to make us close when it did. So that's why I would debate the strengths and weaknesses of cases a little bit, but that's what we do. That's the way it is. But that is factual information about part of what's happened here.

MR. MAROTTA: Okay.

MR. MELE: Just want to make sure to mention.

MR. MAROTTA: I will mention that the -- from Mr. Mele's perspective, he's actually correct. The tenants right now are protected, their rent cannot be increased, okay. So they are protected right now. Because now it's passed to the landlord to prove the exemption. So in that regard, I hope that they have some -- I know there's not certainty, but at least their rent cannot be increased until this is resolved. And at that point, and even now -- well, at that point, then the landlord can start, if it is subject to rent control, start filing registration statements and get the annual increases that they would be permitted to. Until this is resolved, they cannot even go forward with that because they don't have a base rent set. So it is -- the delay causes more for the property owner than for the tenants.

On the other issue, Chairman Milan, at one prior matter concerning new construction requested that the complete file be brought to the meeting itself. And maybe if the board is so inclined to grant the adjournment, that it be done at that time with the representative and the file be presented at the hearing.

So the only other thing I have is as far as setting forth parameters, if the board is so inclined to adjourn the matter, set forth parameters what has to be proven as far as -- by proof, I mean something from the landlord's doctor saying he can't appear at any hearings until such and such a date or he's going to be at his annual visit on such and such a date, that that's established, that these things are established. Not we may hear from him in the future, you know. This is not where it's all of a sudden -- there's a medical certainty here, he needs the appointment, he needs to be cleared and that's the time frame that can be established.

MR. MELE: And if I can just add another aspect of this late notification to me and therefore you guys is all that -- the notification I got from my client was that he was getting ready to set an appointment, but his doctor is traveling at the instant time for a little bit longer. So he's waiting I believe it's in the order of a week or two to get a firm appointment date. And of course that and anything else that's required by the board as far as notifications or updates, whatever it might be, and of course, I will do it as soon as I have everything. And I will be pushing hard to get as much certainty in terms of certainly first the timing of that appointment and any kind of prognosis, things like that. I'll be in constant contact to be able to relay anything that's going on with his condition and his location, too, since he has to go to his doctor. But I certainly would do that.

Also, I talked briefly earlier this afternoon with you about my client, if the doctor clears him for May, but if he's still over there, that I would see about trying to do a Zoom appearance for him so that we don't have to wait until June, for example. Certainly my client is eager to testify in this matter, he has not yet, just in case anyone doesn't recollect. But it's a matter of as soon as he's up to it, certainly by whatever mechanism will work for the board, certainly we'll look to have that done. And that's a fair chunk of at least what's left in terms of testimony.

MR. MAROTTA: The --

MR. KURZEJA: Neil, excuse me. I just want to address one minor point that I think you made. I don't have a copy of the transcript from the last meeting, but I thought I questioned somebody who had the file and it was marked.

MR. MAROTTA: Yes. Well, I don't know if she had the whole file here. The only reason I bring that up is because at a prior similar matter, the person testified, had the file here. There was questions about it, and the chair says he wanted to see the whole file. That's the only reason I bring it up, just to be sure, maybe.

MR. KURZEJA: Here's the thing, Neil. I'm assuming somebody gets the transcripts of each proceeding?

MR. MAROTTA: If they're requested, I'd

like them to be requested.

MR. KURZEJA: I believe Christina requested transcripts.

MS. RIVERA: Last week.

MR. KURZEJA: I can't recall exactly what happened, the transcript will speak for itself. And I don't remember if it was the whole file or part of a file. But I remember specifically asking that it be marked and be put into evidence. Once again, I stand corrected if the transcript says something different, but that's my recollection.

MR. MAROTTA: My recollection was that the individual testified that there might have been a separate type of file that would not carry correspondence, okay. So in that, I do have a recollection of that.

CHAIRMAN MILAN: Do we have what was put into evidence at the last time we had this case? That might tell us what exactly was being --

MR. MELE: As far as that file that was examined I mean?

CHAIRMAN MILAN: If it was put into evidence.

MR. MELE: I don't remember the name,

whoever was the one who was testifying about it, I think she took it back with her?

CHAIRMAN MILAN: Yeah, they wouldn't leave it.

MR. MELE: I mean I wasn't aware of any copies made for anyone here either, as far as I know of that.

CHAIRMAN MILAN: Just wondering if there was some exhibit that was put into evidence.

MR. MAROTTA: I don't have the exhibit list.

CHAIRMAN MILAN: Or whatever the file was.

MR. MAROTTA: Can we go off the record?

CHAIRMAN MILAN: Let's go off the record.

(Discussion held off the record.)

CHAIRMAN MILAN: Back on the record.

MR. MAROTTA: We presented everything to the board for its decision.

CHAIRMAN MILAN: I don't like to leave this open-ended at all because there's no guarantees that June comes, even if we get some assurances, all of a sudden, landlord feels stress and doesn't want to risk it and we're back where we started.

MR. MELE: If I may?

CHAIRMAN MILAN: Go ahead.

MR. MELE: I mean certainly -- I mean really anything can happen, medically, nobody has a crystal ball. But I mean if it's something where when he gets over to his doctor shortly, if I can talk about doing some kind of, for example, videotaped testimony or what have you, some kind of recorded testimony --

MR. MAROTTA: Unless you're going to pay for all of us to go to Turkey.

CHAIRMAN MILAN: I think the board should be --

MR. MELE: I'm talking about -- I wish I could, but no. I mean if it was something like a recorded Zoom kind of thing is what I was thinking actually. And, I'm sorry, I don't have the budget, I wish.

CHAIRMAN MILAN: I understand the issues.

MR. MELE: I mean anything to capture his statements, certainly if there's a way that's acceptable, I would love to do that as soon as possible.

MR. MAROTTA: If I may, just real quick? The board is reluctant to have witnesses testify by Zoom.

MR. MELE: Okay.

MR. MAROTTA: If there's a medical issue, I get it. My recommendation to the board is that -- you know, something there, then they can consider that.

CHAIRMAN MILAN: I think we go by Zoom in this case because of all of the particular problems -- I mean today we could have done it by Zoom. We're actually willing to go by Zoom to a large extent.

MR. MAROTTA: Except until the doctor sees him, he doesn't want him involved in any --

CHAIRMAN MILAN: I understand that. From a medical perspective, yeah, that would be the way that you do it. But my fear is we say June or August and there's another issue. I'm trying to see if there's a way of circumventing. Is his testimony that central to what you're presenting? In what way will he be proffering anything that has not been given by other?

MR. MELE: Well he would have had the direct communication with the seller prior to closing, which as an attorney, of course, I couldn't talk to the seller directly. So I couldn't be in those conversations. And the whole negotiation, the fact being brought up about rent control, and possible exemption or whatever else. I wasn't there for that. And certainly that hasn't been any part of the hearing testimony so far either.

CHAIRMAN MILAN: This is the actual man that did the sale prior to the current owner, is that the idea?

MR. MELE: That's the other person.

MS. RIVERA: And that person is going to come testify in person?

MR. MELE: The other person is in Turkey. So they have to do it by Zoom and it's, I mean, whatever one or 2:00 in the morning there. They have to do it and they know that if they're there, that that's what they have to do.

I'm not sure of the other witness's schedule in terms of coming here. But if it has to be Zoom, they're prepared and ready to do that. I mean they're not going to --

CHAIRMAN MILAN: Understood.

MR. MAROTTA: I would -- if we're going to adjourn, then do it by Zoom, tentatively for the next meeting, based upon reports back. And that, if you know, the doctor says not right now, then definitely June meeting.

CHAIRMAN MILAN: We need that letter from the doctor, even if it is in Turkish, I can find a way of translating it easily.

MR. MELE: That's fine. I mean given it's been a couple days for me, that's the main reason why I don't have more material yet of course. And certainly before May, I would have everything that the doctor is talking about and at least have a sense of it, you know, better than we have now as far as -- I mean -- of course, I mean, I'm going to knock on wood, anything the worst happened to my client, then of course there's got to be something else, there's got to be another arrangement that I have to figure out, right, to be able to cover that. But otherwise I mean I can only hope that he progresses rather than regresses.

MR. NG: Chairman Milan, I'm sorry to interrupt you, but I have no problem with the Zoom meetings. The only thing is I don't think that we have the capability here in this room. We did it -- well, then someone have to pay overtime for people that deal with it. Because I believe the people that work with the Zoom is -- I don't think it's --

MR. MAROTTA: That's not Zoom, that's the court. So you can have a --

MR. NG: But someone from outside, it's not from the building deals with that.

MR. MAROTTA: Nobody here, that's a fair comment.

MR. NG: And in my office, we don't have any capability to set up everything. We're very short in staff now and we're going to be shorter and I'm -- I don't have a problem, we did it in the past in the high school. Then we have to pay overtime to those people in the high school, I mean to the IT, to deal with that during Covid.

I mean for just one case, I don't know how we're going to do it. But if we have to bring some people to do it by Zoom, I don't think the city is going to pay for that.

MR. MAROTTA: I think the ordinance provides for costs to an appellant.

MR. MELE: Yeah. My first, at least, envisioning of something like Zoom would be, I have my laptop out and send a link to the other side so that they can signed in and then everybody can see them, although it's a small screen. Although I might -- I may know how to get it to a bigger screen, like send the signal over to it, if that's the difference. But otherwise if there is a cost, certainly, I mean --

MR. MAROTTA: I don't think it would be an extensive cost, but I don't think it should be put on the city.

MR. MELE: Absolutely.

MR. MAROTTA: In these circumstances. So Covid 19 was a different story.

MR. MELE: Understood.

MR. MAROTTA: We can look into that, what the cost would be to do that, for somebody to come in and handle that. And confirm that that would work.

MR. NG: Exactly.

MR. MAROTTA: Or have to set up something else that would. I don't think your laptop -- I thought about that as well.

MR. MELE: I understand.

CHAIRMAN MILAN: Might be a little rough to somehow get the whole thing.

MR. MAROTTA: I think that would be ideal.

CHAIRMAN MILAN: We probably can do it through hot spot or something and push it there.

MR. MELE: At the worst.

CHAIRMAN MILAN: The phone, put a hot spot.

MR. MELE: One way or the other. Getting the signal wouldn't be the issue, it would be the visibility.

CHAIRMAN MILAN: Exactly.

MR. MELE: So I understand that.

CHAIRMAN MILAN: And the delays, coming from another country and all the interference, sometimes can be --

MR. MELE: It can stagger a little bit.

MR. MAROTTA: I had a court matter with somebody in Columbia and it worked pretty well. It's not as far as Turkey.

CHAIRMAN MILAN: It's not the distance, it's more where the lines go and I have seen horror stories with it.

MR. MAROTTA: Really?

CHAIRMAN MILAN: One time they put in the company that will remain nameless, the main line and the back line were all going different ways. They went through Puerto Rico, both went through Puerto Rico. And when a hurricane hit and killed the lines, they killed the main line and the backup line.

MR. MELE: Okay.

CHAIRMAN MILAN: So that wasn't good.

MR. MAROTTA: Okay. So again, unless counsel has anything further?

MS. RIVERA: Nothing further.

MR. KURZEJA: No.

CHAIRMAN MILAN: I'm going to ask for a -- I'm going to make a motion to grant the adjournment. We'll see if they agree or not. But I want a note -- we want a note from the doctor in Turkey or somewhere that say kind of what you said already.

MR. MELE: Sure.

CHAIRMAN MILAN: But specifying and trying to give us as much as they can. Obviously, a doctor is not fortune tellers.

MR. MELE: Sure.

CHAIRMAN MILAN: But tell us an idea of

when we will have that date. However, I'm going to make a proviso in this motion that if within three to six months, we are not wrapped up and being able to see the person, we may have to dismiss this case. Because I don't think it's fair to keep carrying it --

MR. MELE: Absolutely.

CHAIRMAN MILAN: -- longer and longer.

MR. MELE: I don't mean to take the board's time as many times as we have. It was never the intention, so I do apologize for that. And for all different reasons that it occurred.

And I appreciate the possibility of another window as short as necessary, certainly it would be. But thank you for that.

VICE CHAIRPERSON VASQUEZ: What are we saying about the May meeting or just wait --

CHAIRMAN MILAN: It depends.

VICE CHAIRPERSON VASQUEZ: -- until the documents.

CHAIRMAN MILAN: We're going to attempt to do it in May. He's got to the get the documents. And also what -- and also it may be good if we get a sense, just because to try to put it to a minimum, what exactly are you trying to --

what line of thought are you trying to follow for your witness, so that way they're prepared and not expose them to overdue stress or prolong a meeting that would probably -- that should probably be kept short, given the circumstances. But for that, they would need to have a pretty a good idea.

MR. MAROTTA: Do you want to present a proffer as to his testimony? I mean obviously you won't be held 100 percent to it, but at least...

MR. MELE: A lot of it is what I mentioned earlier about preclosing conversation and discussion and documentation preparation that was done, that my client saw, that's also what I'm looking to hear on the seller's side, as the witness I mentioned recently. To really connect that whole process leading up to closing because at that point the filings had to have been in place, you know, in the office here. Otherwise, we wouldn't have been able to close.

So that's really the time period where those folks were the only ones talking to each other, in that sense. I talked to my client, but that's secondhand. It was really -- and confidential, too, I guess, but between him and the seller at the time before closing that that was really where all of this was kind of defined.

MR. NG: We also, Neil, have to take under consideration that for us to put it on the agenda, we need 20 days.

MR. MAROTTA: 20 days notice.

MR. NG: 20 days before because we have to do the paperwork. We are in April now --

MR. MAROTTA: That's a week from now.

MR. NG: So May meeting, what day is the May meeting? So probably forget about May because we are meeting, it's like a week after we have to prepare.

MR. MELE: 13th.

MR. NG: 20 days, it's like --

MR. MAROTTA: It's almost right away.

CHAIRMAN MILAN: May 13th.

MR. NG: So we just -- one more week, I have to send paperwork.

MR. MAROTTA: By the 19th we have to send --

CHAIRMAN MILAN: By the 19th of April, we're at the 8th. So we're talking eleven days. I don't know if you can put all that together in eleven days.

MR. MAROTTA: By the 12th, I'm sorry. I have so much.

MR. MELE: The 12th I have is a Sunday.

CHAIRMAN MILAN: By Friday, you have to put the thing together.

MR. MELE: By Friday, that could be difficult.

MR. NG: If it will be for June, we'll have more of a leeway. And also not that much because it's like --

CHAIRMAN MILAN: Yeah.

MR. MAROTTA: It goes fast.

MR. MELE: Certainly, like I said, in the next handful of days, I'm planning to have a lot of my answers.

MR. NG: At least, if you have like notification, note from the doctor that the gentleman is not available for May, so we know.

CHAIRMAN MILAN: Yeah.

MR. MELE: The other trick with May is if it's just the one week now, when the doctor is back yet, I'm not sure.

CHAIRMAN MILAN: Right.

MR. NG: That's what I'm saying.

MR. MELE: He may be gone for another

week.

CHAIRMAN MILAN: I don't think we have the time for May. But it might be easier if we aim as fast as you can because it will help you. But most likely scenario will be June.

MR. MELE: I'm not looking to wait for any deadline to get information to the board. I'm going to get it as soon as I have it in my hands, and I'm going to be making the calls.

MR. MAROTTA: I'll admit Mr. Mele has presented documentation timely.

CHAIRMAN MILAN: Okay. That's the motion I will make. I don't know if anybody wants to second it or you guys want to discuss it in a different way?

COMMISSIONER POZO: I second it.

MR. NG: Second by Commissioner Ydaly Pozo. So roll call.

Commissioner Norma Guevara.

COMMISSIONER GUEVARA: Yes.

MR. NG: Commissioner Ydaly Pozo.

COMMISSIONER POZO: Yes.

MR. NG: Commissioner and Vice Chairman Sandra Vasquez.

VICE CHAIRPERSON VASQUEZ: Yes.

MR. NG: Commissioner Rosana Colon.

COMMISSIONER COLON: Yes.

MR. NG: Chairman Juan Milan.

CHAIRMAN MILAN: Yes.

MR. NG: Motion has passed.

CHAIRMAN MILAN: Thank you.

MR. MELE: Thank you so much. I really appreciate it. And, again, I'm sorry for the circumstances around this case, but once we can get it wrapped up, believe me, nobody wants it more than my client and me. Although I love visiting you all, please don't take it that way.

CHAIRMAN MILAN: I'm sure.

MR. MELE: I do want the board to be able to move onto other things. So thank you.

MR. NG: Thank you.

CHAIRMAN MILAN: Thank you.

MR. MELE: Thanks.

* * * *

711 10TH STREET - APT. 3L -
HARDSHIP:

MR. MAROTTA: So the next matter.

CHAIRMAN MILAN: Right.

MR. MAROTTA: 711 10th Street, Apartment 3L, it's a hardship application. I have a conflict having previously represented the property owners on different matters. Still I prefer, and I requested that Ken Goodman appear on my behalf. Mr. Goodman has appeared before on a conflict and he's familiar with the requirements of rent control. So I would like to go off the record for a couple minutes to speak with him and counsel to set up parameters.

MS. RIVERA: I just want to put on the record my client's going to need the interpreter. So if they can --

CHAIRMAN MILAN: Do we want to swear in Mr. Gonzalez that way we save some time as you're discussing, then we'll go off the record?

J O S E G O N Z A L E Z, an interpreter of the SPANISH language, after having been duly sworn, did interpret the following testimony:

(Whereupon a short recess was taken.)

MR. MAYEROVIC: Robert Mayerovic, M-A-Y-E-R-O-V-I-C, for the applicant.

MS. COLDITZ: You want me to start on my analysis?

MR. GOODMAN: Not yet, Sue.

MR. NG: This is the agenda. This is the address I believe it's 711 10th Street, Apartment 3L. It's about the hardship that we have for tonight. This is the third item on the agenda.

MR. GOODMAN: Good evening, Mr. Chairman, members of the board, I'm Ken Goodman. I'm filling in for Neil Marotta on this matter due to a conflict that he had as the board's attorney.

This matter concerns 711 10th St., Apartment 3L, and it's a hardship application from the landlord.

CHAIRMAN MILAN: Do we have the attorneys for this case?

MR. MAYEROVIC: Yes. For the record, my name is Robert M. Mayerovic. I represent Valcara Asset Management, LLC, which is the owner of condo unit apartment number 3L at 711 10th Street, Union City, New Jersey. This is our application for a hardship application rent increase.

MS. RIVERA: Christina Rivera from the Union City Tenant Advocates Office on behalf of the tenant, Mrs. Rodriguez. And Mrs. Rodriguez is here.

MR. MAYEROVIC: I don't know how -- do you want me to make an opening statement?

CHAIRMAN MILAN: Yeah. Usually that's the way we do it and then I guess we need to hear from Susan Colditz, the accountant.

MR. MAYEROVIC: So a lot of the facts in this case, I don't think are going to be in dispute. I think a lot of the facts in this case are going to be acknowledged. And if I were to summarize it in the following manner, if I were to summarize it in the following manner, the rent being collected on this unit does not cover the expenses of this unit. The expenses of this unit will show that and I believe we're entitled in this application based on the proofs that will be submitted to have the rent increased to $962.66 a month.

As I read the ordinance, the ordinance

in two parts specifically say that for the condo units, there are minimal rents that we're entitled to charge to cover the condo fees, the taxes, reasonable maintenance. We're also allowed to get a fair return on our investment. I think those are the essence of the rent control ordinance.

We will go through the figures in detail once the testimony is laid out by your expert, by the accountant. And as I said, I believe we're entitled to minimum increase bumping up the rent to $962.66. I believe the tenant currently pays $130.31 a month, which has an annual rental income of $1,563, that, for lack of a better purpose, not only doesn't cover the condo association fees, doesn't cover even the property taxes on the unit.

CHAIRMAN MILAN: Okay. Ms. Rivera.

MS. RIVERA: On behalf of the tenant, I can't dispute any of the fees because these are attendant fees to -- or costs rather, monthly costs to the operation and the ownership of this. I will -- the only thing I can, I guess, dispute are the general repairs of 3,600 and the utilities because I don't know that that was ever a part of their prior lease, if they ever had a lease. I don't know that that can be tacked onto them. But just going off of the maintenance, insurance and taxes, I recognize that there is a very deficient monthly income.

I am aware, as the board is aware; however, that, you know, in the ordinance, there is a cap on any increases that exceed 15 percent. Now, I know that we went previously on another matter recently, where we increased it to 32 percent, which was well under the amount needed to stay -- to make some sort of a profit. And I recognize, however, that the ordinance does say the maximum annual increase from all sources listed under this 334-10 permitted increases shall not exceed 15 percent unless an efficient landlord cannot meet operation expenses or make a fair return on his or her investment. But then the next sentence says a tenant shall not receive an aggregate increase from all sources of more than 15 percent any 12-month period. So that is read to mean that, you know, any increase is capped at 15 percent.

I know that the -- if we take the maintenance, insurance and taxes that comes out to about $601.07 per month that's needed just to break even. And I think even that is like a

500 percent increase. So I, you know, will take testimony from the tenant, we can hear from -- but I think that the board is constrained by the language in the ordinance.

MR. MAYEROVIC: I'm not sure about that. I think there's two parts to the ordinance and it specifically says that it can exceed the 15 percent if the landlord cannot meet the operating expenses or make a fair return on his or her investment.

CHAIRMAN MILAN: Okay.

MR. GOODMAN: If I may weigh in? I agree with that interpretation, the statute reads permitted increases shall not exceed 15 percent unless an efficient landlord cannot meet operation expenses or make a fair return on his or her investment. Then it goes on, a tenant shall not receive an aggregate increase from all sources of more than 15 percent for any 12-month period. I think the ordinance is clear that the landlord is entitled to a fair return -- to make a fair return on the investment, and also to be able to meet his or her operation expenses.

MS. RIVERA: I think that the last sentence though brings it back and says a tenant shall not receive an increase of -- an aggregate increase form all sources more than 15 percent any 12-month period. So that sounds to me like it's saying, okay, this year is 15 percent, next year is 15 percent, and thereafter. I don't think the ordinance allows an increase beyond 15 percent based on the current language. And what they're -- what the applicant is looking for is like a 700 percent increase. And that, I think is repugnant to the ordinance. While it might not be, you know -- I understand the applicant's position and he can't break even. But the ordinance speaks to that. And, unfortunately, it's -- I think we're constrained by that last sentence of Section 334-10(E).

MR. GOODMAN: An I would just respond to that both sentences that we're discussing, the first sentence with the 15 percent increase unless an efficient landlord cannot meet operational expenses or make a fair return on his or her investment, that starts with permitted expenses shall not exceed 15 percent, unless. Those sentences contain the word "shall". I think there's a valid dispute in the language, in its interpretation, I think the board is going to be called onto make that determination as to the interpretation of the ordinance language. But it is clear that a landlord is entitled to get a fair return on his or her investment and be able to bring in enough revenue in order to cover the operating expenses.

CHAIRMAN MILAN: Anything?

MR. MAYEROVIC: I think the board -- I think the board needs to be concerned, the ordinance to make sure -- and the language is very interesting. It talks about unless an efficient landlord cannot meet operating expenses, uses words efficient. That means a landlord comes to the board and says this is my expenses, right, and my expenses exceed the income. The landlord has to do something else, he has to show that he's an efficient landlord. He has to show that he's not tacking on unreasonable expenses to the tenant. And in this application, you will see that we've kept all of our expenses to a bare minimum.

CHAIRMAN MILAN: Okay.

MS. RIVERA: I mean I concede that the maintenance fees, the insurance, the taxes are all what the language in the ordinance calls reasonable expenses and are normal and recurring expenses. And we know what normal recurring means from other hearings, it's normal that consistently appear every month. So I would argue that, for instance, general repairs, I don't really have information on that too much, but those are not normal and recurring expenses.

The ones that are normal and recurring are the association fees, which is the maintenance, insurance, taxes. Maintenance is 335 a month, insurance is $53.16 per month and taxes come out to $212.91 per month. When we add that up, those normal and recurring expenses total 601.07. And I concede that 601.07 is normal and recurring and recognized under the ordinance.

I would submit though that based on that subsection E, I think we're constrained to go too far above that. And the ordinance, I guess, you know, corrals us to that amount.

MR. MAYEROVIC: I want to hand something out to the board that I prepared. And in all due deference to the board's accountant, I worked with the board's accountant's figures. I have one for my adversary.

I wanted to expedite this process and I want to be straightforward with the board and I think that's the best way. And the board's accountant can hear what I'm saying and what I'm doing. And the board's accountant can agree or disagree with my --

MS. COLDITZ: I can hear.

MR. MAYEROVIC: The board's accountant can agree or disagree with my approach. And what we've done -- I got one more.

So I prepared this and I just did the following. The annual rental income on this property, and it's not in dispute, is $1,563, that's a given. What I did was I took the tax bill for the last four years, I looked -- no, I'm sorry, I did the condominium association bill for the last four years. And everything -- we've given checks and everything to substantiate these expenses. And you will see that the annual association fees are $4,029.48. That's not in dispute, that's condominium.

Now, I wrote another line called annual estimated repairs and management. And if you look at the analysis prepared by Ms. Colditz, what she did is you'll see these expenses that she's calculated, bringing it up to like 21,000 a year -- 11,000 a year -- I'm sorry, like 3,600, 3,495. I took a low ball figure, I took a low ball figure lumping in annual estimated repairs and management fees at $1,500. They've been a lot more because you'll see the total that Ms. Colditz has in her report.

I took an average of the four years of property taxes, which is $2,562.06. These are not disputed. I looked at the MUA sewage fees, I took it for the four years. I took an average of the four years and I got to $442.34. I took an average of the annual insurance premiums for this unit at $631.75. So if you add up, if you add up those expenses, it comes out to $8,265.63. That's -- you're not going to be able to dispute that.

In actuality, the average is -- if you look at Ms. Colditz's number, she has $48,000, if you look at her number in her report for the four years. If you take the 48,000 and divide by four, it comes out to 12,000, so at $8,265, I brought down the expenses $4,000 less than Ms. Colditz had on an average.

Now, the only thing that Ms. Colditz does not do in her report is -- and I think the ordinance provides it, we're entitled to a fair return on our investment. I have my accountant here -- I'm sorry, I have my client's accountant here, he will testify -- by way of a proffer -- that the basis, the cost for this condo unit to my client was $47,000 and change. So what I did was on the $47,000 that was invested on this unit, I took a rate of return of 5 percent, not 7 and a half percent, not 10 percent, I took a low rate of return of 5 percent, which gives you $2,386.65. I will have the accountant testify as to how he came to the basis of $47,000, the cost of buying the unit.

The point of it is that if you look next on the report, the deficit without the 5 percent rate of return is $9,988.16. And if you factor in the rate of return of 5 percent, it comes out to $11,551, that's on page two of the report. And if you take the $11,551.88 and divide it by 12, it comes out to $962.66.

So what I did was I took Ms. Colditz's report, I reduced -- I reduced some of the expenses that she gave us because what we're doing is capitalizing some of the expenses, which inures to the benefit of the tenant, we're not using it as a direct expense. I gave a rate of return of

5 percent. And at the end of the day, we would ask for a rent of 962. I just -- if I can ask Ms. Colditz one question.

Ms. Colditz, can you hear me?

MS. COLDITZ: I can hear you.

MR. MAYEROVIC: Do you believe a 5 percent rate of capitalization, an ROC is unreasonable?

MS. COLDITZ: No, I do not.

MR. MAYEROVIC: Is it a fair number?

MS. COLDITZ: I know it's a fair number. I came very close to the number that you had, when I sit down and I detail everything out, which I haven't -- I didn't do with this analysis because, you know, some of the stuff I might have approved, the board might not. So until the board approves what can be used and what can't be used, we have a difference of opinion, myself and the tenant advocate. So usually we leave it to the board to make that decision. Once we know what we're going to use, then we would do the analysis. But when I did may numbers, I did the four-year average the way you did it. And my total comes out to projected increase in total rent of everything, I think I got an increase of $804. So if you add the 132, it's probably going to come to approximately what you have.

MR. MAYEROVIC: Right. And I'm using a number -- the association fees is really not negotiable, it's a fixed number. The property taxes is a fixed number. The sewage, I averaged out the four years at 442, you're not going to disagree with me on that?

MS. COLDITZ: No. I averaged all of them out. I did it by total, I came to like about $935 for the new rent.

MR. MAYEROVIC: Right. I did the insurance at 631 is not in dispute. The only thing I did --

MS. COLDITZ: Absolute not.

MR. MAYEROVIC: The only thing I did, which I think is fair, considering all the expenses, I used -- call it a fudge figure, but it's much lower than what their actual was of like incidental repairs and management of $1,500 for the whole year, which I believe is a fair number.

MS. COLDITZ: I've been looking at the numbers, I would believe that to be fair also.

MR. MAYEROVIC: So, you know, the analysis is $962.66. I'm sorry, I'm sorry that in a way that the tenant -- you know, the tenant would have to incur this type of an increase. But we need -- you need, we -- we need to preserve the buildings. We need to make sure that they meet functional. And we're not being -- we're not being, in this application, greedy at all. We've got bare-bones numbers throughout the application.

We believe we're entitled to -- we believe that we meet the standard of an efficient landlord because we're not inflating our expenses, even with your accountant's analysis. And it's clear and we are entitled to a fair rate of return, that's in the ordinance. And the ordinance does provide a door that the increase can exceed 15 percent if we meet those standards.

MS. RIVERA: I'm just going to reiterate that that number is a 707 percent increase, which is a substantial increase. In any given -- that's just, you know, that's not consistent with what I guess the plan of the rent control ordinance seeks to do.

I concede this landlord is not greedy, just the bare minimum. I get it. I understand his plight and I understand his -- but I don't think a 707 percent increase in one shot is what the ordinance contemplates. And I leave it to the board's discretion.

MR. MAYEROVIC: If there is an ambiguity, if there is an ambiguity in the way this ordinance is structured, in this case, and in this landlord, it should be construed for the benefit of the landlord.

MS. RIVERA: Well, just to table on that, I mean this is a protected tenant, this is an elderly woman with her husband who's also elderly. And so that also has to be considered as well. I recognize that the board does have to increase. I think the board is constrained in that regard to a certain extent.

CHAIRMAN MILAN: Do we know -- and this is just a general knowledge question, I'm trying to get a background on how we got here. Why is her income -- why is her rent 136, sounds like?

MS. RIVERA: I think it's been that way for a long time. And I can have her testify if you'd like. She's here, she's ready to testify.

CHAIRMAN MILAN: Might as well.

MR. MAYEROVIC: Can we -- just for the record, can we agree that -- can we agree that my analysis -- that no one is taking issue with my analysis? And can we mark the analysis for the court reporter as exhibit A?

MS. RIVERA: I'm not going to take issue with your analysis insofar as it contains the annual insurance, annual taxes, and annual maintenance fees. The sewer fees, I don't know if that's allowed.

MR. NG: That's why we have Susan here, she'll have the opportunity.

MR. MAYEROVIC: Ms. Colditz, did you factor in sewage fees?

MR. GOODMAN: Why don't we let Ms. Colditz testify first --

MS. COLDITZ: I did factor in the sewage fees also, because you have to pay those to run the apartment. So those are gonna be fees that you're gonna receive on a quarterly basis.

MR. MAYEROVIC: And they're no different than taxes, am I correct?

MS. RIVERA: The only reason why I question it is because I don't know if that was built into their lease already because it can't now be built into their lease after the fact.

MS. COLDITZ: Okay. That might be different because I don't have the actual lease.

So I don't know what the lease says.

MS. RIVERA: I don't know that that was an agreement that they had previously that they're supposed to pay that. So I don't know that that can be shoved on them now.

CHAIRMAN MILAN: Yeah.

MR. MAYEROVIC: It's not being shoved on them --

MS. RIVERA: Or --

MR. MAYEROVIC: It's not being shoved on them. It's no different than taxes. It's a cost to operate.

MS. COLDITZ: It has to be paid.

MR. MAYEROVIC: It's still a cost to the landlord.

MS. RIVERA: I get it. However, I don't know if the tenant paying the sewer is part of the lease agreement, if you will. If it's not written -- if it's a verbal lease, we have to examine that. But if that was not a part of their lease to pay the sewer, I don't know that they can be asked to pay it now at this juncture.

MR. MAYEROVIC: They're not being asked to pay the sewer.

MS. RIVERA: Or we can't have it

attributed to them.

MR. MAYEROVIC: It's no different than taxes. The tenant has a lease, the tenant pays rent. The lease doesn't say you have to pay taxes. Taxes is an imposition imposed by the City and sewage, to the extent that it's a lien, which it is.

MS. COLDITZ: Yes.

MR. MAYEROVIC: We can agree it's a lien, is no different than taxes. It's not -- we're not telling the tenant to pay the sewage, it's an expense that the landlord is incurring to operate the unit.

CHAIRMAN MILAN: Okay. Ms. Colditz, I think at this point, it probably would be good if you gave your report, just to get a sense of -- I think we got a good sense of it based on your answers to Mr. Mayerovic. But if you could wrap up or do your report, that would be great.

MR. GOODMAN: Hold on one second, Sue, please. So if I may call as the board's witness Ms. Susan Colditz.

CHAIRMAN MILAN: Okay.

MS. COLDITZ: Okay.

MR. GOODMAN: I'll just put on the

record that Ms. Colditz is appearing by telephone today. Can everybody hear her?

(Whereupon, all Board Members indicate in the affirmative.)

MS. COLDITZ: Can I proceed?

MR. GOODMAN: Ms. Colditz, what is your position -- strike that.

Ms. Colditz, do you work with the rent leveling board?

MS. COLDITZ: Yes, I do.

MR. GOODMAN: What is your role with the rent leveling board?

MS. COLDITZ: I work on the hardships, the capital improvements, and I determine an analysis and approve or disapprove the expenses and determine what a fair increase would be according to my analysis.

MR. GOODMAN: So part of your role with the board is to work on the hardship cases?

MS. COLDITZ: Yes.

MR. GOODMAN: Did you prepare a report with regard to this case concerning 711 10th Street?

MS. COLDITZ: I don't have a written report, but I have my analysis, yes.

MR. GOODMAN: Okay. And I'd like to mark this as board's exhibit B-1.

(Ms. Colditz's analysis marked B-1 for identification.)

MR. MAYEROVIC: Is that the analysis from today?

MS. COLDITZ: Yes.

MR. MAYEROVIC: Because there's one that was issued today, I have the one that was issued today. If you want to take a look at it, this one was issued today. Mark this one.

MS. COLDITZ: The net expenditures in total of $43,311.64?

MR. GOODMAN: That's correct.

MS. COLDITZ: That's the one. And I have allowed certain expenses -- (inaudible) an average of.

MR. NG: Susan, when did you send this analysis?

MS. COLDITZ: I sent this analysis several times to -- I sent it to Ken today, I sent it to you and Neil. And actually I believe I sent it to the person working with the client.

MR. MAYEROVIC: I got it today.

MS. COLDITZ: I believe everybody got it.

MS. RIVERA: I don't think I got a copy of it today.

MS. COLDITZ: I sent another one today just to make sure that Ken had it.

MR. NG: The thing is when we receive documentation the same day, the package is already done the day before. It's very hard for us to know what is in the package last minute. So I don't know if Casmila -- my staff worked like days before, not the same day. It's okay, the documents is here now.

For the future, we probably -- it would be a good idea to have it a couple days before the meeting.

MR. GOODMAN: Sure.

MR. MAYEROVIC: Let's mark that.

MS. COLDITZ: I sent it. I believe I sent it early Friday or late Thursday, it might have been late Wednesday. The only person I sent today was Ken.

MR. NG: Okay.

MR. GOODMAN: And you previously had prepared a previous version of this document?

MS. COLDITZ: This should be the same one, I haven't changed it since I've been working with the person in charge.

MR. NG: That one I received a long time ago, that was the document that we put in the package. She's saying it's the same thing anyway.

MS. COLDITZ: It should be. The only thing that I was waiting for from the applicant was certain things I just needed to discuss. And he sent me what I needed and I made a determination on what I have included in here.

MR. GOODMAN: Okay. Sue, Ms. Colditz, could you provide the board with a summary of your analysis?

MS. COLDITZ: Yes. What I did is I analyzed all four years and I took a grand total, so you could see the total rental income is 4,691.16 and then I took the total expenses. And then on the bottom, if you see minus --

THE COURT REPORTER: Hold on, Sue. You got to slow down a little bit. And can we get a copy of --

CHAIRMAN MILAN: We'll send the --make a copy.

MR. MAYEROVIC: I have extra copies.

MS. COLDITZ: I allowed the association fees -- I did allow property tax, sewage, insurance.

Now, I came down to some of the expenses. I had discussions, the 3,600 for the one year I did not allow, it was all painting. I felt like that was something you would have to do anyway. And it's not consistent to every single year doing painting. So I didn't allow that. And it was another one for lights and another one more for lights that I didn't allow because that would be done as repair and maintenance. You wouldn't be doing it every single year. And so I disallowed some of it and I allowed some of it, pending discussion with the board.

And when I get down to the bottom, I get a net expense of 43,311.64. I take that and I minus the 75 percent revenues that's supposed to be met per the ordinance. And my net expenses that I'm allowing the 38,620.48 for the four years, it's an average of 9,655.12. And then I'm going to take that -- and I don't believe this is on the analysis, I did this after, pending whatever changes had to be made. And if we leave everything as I have it, my increase is 804.59. That would be my increase based on my allowable expenses and the revenue that comes in.

MR. GOODMAN: And 804.69 over what base figure?

MS. COLDITZ: That would be the average for four years, that would be an annual. And then you would divide the 9,655.12 by 12 and that's how you get the 804.59. So that's the monthly increase to the rent.

MR. MAYEROVIC: So you take 804 plus the 130.31.

MS. COLDITZ: I get 937.30, that's my analysis. I don't have it on that paper, Ken, because we usually go through allowables, not allowables. Like the applicant said he added 1,500. So I would take out the other one, put the 1,500, it's not that much less. I think it comes to like 934, something to that effect. I'd have to do a detail, but it's not going to change it that much.

MR. MAYEROVIC: And am I correct that in your analysis you did not include a return on capitalization?

MS. COLDITZ: I did not. No, I did not.

MR. MAYEROVIC: And if gave you the hypothetical that the basis was approximately 47,000, you would agree that a 5 percent rate of return would be about $2,386?

MS. COLDITZ: Yes.

MR. MAYEROVIC: And that would --

MS. COLDITZ: If they included the rate of return, which I'm not sure -- that would be something the board would have to approve.

MR. MAYEROVIC: But you would add that 2,386 to the 9,655?

MS. COLDITZ: Yes.

MR. MAYEROVIC: So you're in the $11,000 range?

MS. COLDITZ: Close to what you came up with, yes.

MR. GOODMAN: Sue, you're talking about 75 percent, can you explain what you mean by that?

MS. COLDITZ: In the ordinance, it says that the expenses have to meet the 75 percent of the revenues. And it's obvious his expenses aren't 75 percent of the revenue. So when I take the revenues and take 75 percent minus the total allowable expenses, I get a net of 38,620.48 for the four years. And then I divide that by the four years to get the average annual. And then I take the average annual and divide it by the 12 months to get the increase.

MR. GOODMAN: And the average annual was?

MS. COLDITZ: Without the rate of return, 9,655.12. I think lot of his expenses are very fair. I think some might be argued to take some out and I understand that, too.

MR. GOODMAN: Ms. Colditz, are you a CPA?

MS. COLDITZ: Yes, I am.

MR. GOODMAN: Ms. Colditz, we talked about a lot of numbers, what's your overall assessment of the application based on the numbers that you've presented?

MS. COLDITZ: My overall assessment is that the allowable increase, I believe should be allowed is $804.59 a month, which as the tenant advocate said, that's a huge jump. So that is something the board would have to determine. But when I get the total new rents, it would be $937.30.

MR. GOODMAN: Thank you, Ms. Colditz. Mr. Chairman?

CHAIRMAN MILAN: Basically we have the two sets of numbers. I mean I don't know if you want to call your accountant?

MR. MAYEROVIC: Unless someone's going to take issue, my accountant is here. He's here in tax season, I want to thank him.

CHAIRMAN MILAN: He is.

MR. MAYEROVIC: The only thing he would testify is just to the basis of the property, how he calculated the basis of the -- which we submit we paid approximately 47,000. Can he?

CHAIRMAN MILAN: Just to the point, since he's here, he might as well.

MR. MAYEROVIC: Please come up.

CHAIRMAN MILAN: We might as well get his testimony on that point, that way he can go back to staying open until midnight.

G R E G O R Y A R I Y A N, after having been duly sworn or affirmed, did testify as follows:

MR. ARIYAN: Gregory Ariyan, G-R-E-G-O-R-Y A-R-I-Y-A-N.

MR. MAYEROVIC: Can you tell us your professional experience?

MR. ARIYAN: I am accountant, tax preparer. I'm an enrolled agent with the IRS, I'm licensed by the IRS to prepare taxes, which includes cost basis calculations, profit and loss, to submit to the IRS, depreciation, all that stuff.

MR. MAYEROVIC: How many years have you been doing that?

MR. ARIYAN: Well over 15.

MR. MAYEROVIC: Okay. And your professional -- and your educational experience?

MR. ARIYAN: I have a bachelor's in accounting and finance, I've been working for 30 years. I've worked at various different banks doing different financial calculations and been an accountant my whole life.

MR. MAYEROVIC: You're licensed by the Internal Revenue Service to prepare taxes?

MR. ARIYAN: Correct.

MR. MAYEROVIC: And did you do a cost basis analysis for this condo unit?

MR. ARIYAN: I did.

MR. MAYEROVIC: And did you come up with

a figure?

MR. ARIYAN: Yes, correct.

MR. MAYEROVIC: What is the figure that you came up with?

MR. ARIYAN: The figure I came up with was $47,725.

MR. MAYEROVIC: When you say cost basis, what does that include?

MR. ARIYAN: That includes 45,550 for the cost of the tax certificate that was purchased and $2,175 legal expenses associated with that.

MR. MAYEROVIC: So you analyzed this in the sense that the property owner acquired this unit, am I correct, via purchase of a tax sale certificate?

MR. ARIYAN: Correct.

MR. MAYEROVIC: And in addition to the cost of the tax sale certificate, you added on the legals --

MR. ARIYAN: Correct.

MR. MAYEROVIC: -- in foreclosing on the tax sale?

MR. ARIYAN: Which is allowable by the IRS.

MR. MAYEROVIC: And then you also

utilized an ROC, what is an ROC?

MR. ARIYAN: I consider it return of capital.

MR. MAYEROVIC: And you analyzed 5 percent; is that correct?

MR. ARIYAN: Correct.

MR. MAYEROVIC: And you came up with a number?

MR. ARIYAN: Yes.

MR. MAYEROVIC: And what was that number?

MR. ARIYAN: Let me get my glasses, 5 percent return of capital would be -- so I used the basis of $47,725, calculated the 5 percent, calculated return of capital would be $2,386.25.

MR. MAYEROVIC: Okay. I have no further testimony of this witness.

CHAIRMAN MILAN: Okay. Thank you very much.

MR. MAYEROVIC: Thank you very much. Go back to work now.

MR. NG: Chairman, Mr. Milan, if I have to be sworn?

CHAIRMAN MILAN: Depends what you're going to do.

MR. NG: It's about our ordinance.
CHAIRMAN MILAN: I think you do have to be sworn.
MR. GOODMAN: I think you should be sworn in.

K E N N E D Y N G, after having been duly sworn or affirmed, did testify as follows:

MR. NG: The reason I wanted to say this, if we are following our ordinance, and the ordinance says that it's only allowed 15 percent per year, I'm going to have issues. Like if the board or whatever decision is, like, how much is the tenant paying now?
MS. RIVERA: 136.
MR. NG: Something one hundred whatever, to 900, 800, look -- that will be, like, I don't know what would be the percentage.
MS. RIVERA: 707 percent.
MR. NG: If we approve that, we're not following the ordinance.
CHAIRMAN MILAN: The ordinance is ambiguous on this point, as I see it. And it's wrong. They have to take one statement or the

other out of it because at this point, if we really take it on its face, it's basically saying and, please correct me if I'm wrong, but I see that it says it's 15 percent, unless someone being efficient cannot make any money on that expense, if it doesn't go beyond that. And then it turns around and says, but it can only go up 15 percent. So to me, that is a mistake in there. And as I think our counsel says, we kind of have to decide where --

MR. GOODMAN: I agree, the ordinance is inconsistent on its face.

MR. NG: That's why I'm giving my statement because I don't want to take more applications and we go and establish tonight or might be in the future that we're allowing more than 15, not 15, 100 percent, whatever percentage.

MR. MAYEROVIC: It's not -- I understand your concern. I understand your concern, it's a bona fide concern. But the problem is -- the real problem is think about how my client acquired the property. He acquired the property as a result of a tax sale certificate. That means somebody said I'm just giving up on this. I'm just giving up on this unit.

And I'll tell you something else, I'll tell you something else. If you go to page 16 of your ordinance, listen to what it says in page 16.

MS. RIVERA: What subsection?

MR. MAYEROVIC: On page 16, as to cooperatives and condominiums, the rent charge shall be at least equivalent to the maintenance costs. So it sets a floor, it doesn't say the maximum, it says it's got to at least cover that. So it's anticipating, you know, you're going to have these situations. And the issue is not the percentage of the increase. The issue is the bona fides of the expenses. And we're not even asking for a large rate of return. Even by your own analysis, your own accountant, it's a fair rate of return.

CHAIRMAN MILAN: Okay.

MS. RIVERA: But I also, you know, it also has to coincide with the fact that she's a senior and we automatically cap that at 2 percent. I'm not saying that 2 percent is applicable here, but I'm just saying keeping in mind that when there's a senior, we take it down a notch.

CHAIRMAN MILAN: I am understanding that. I'm trying to get a sense, because unfortunately in this point, I think the ordinance needs to clarify itself a little better because it says in one sentence 15 percent, unless you can't make it. Then it goes back, 15 percent. And that's kind of ambiguous. And, yes, we'll have to make a decision today one way or another. And we do have to take a bunch of factors into account, including the fact that -- and again I would like to understand how the rental income is 130, when it was sold --

MS. RIVERA: I can call my client up to testify.

CHAIRMAN MILAN: Because otherwise, if you have a normal rent, then obviously we wouldn't have this discussion. But this is troubling us.

MR. GOODMAN: I could just add, Mr. Chairman, section E of the ordinance, 334-10, it seems clear to me that the ordinance is designed to enable a landlord, even under rent control, to be able to make money on the investment. Specifically the units that he's purchased and now is renting out. I think it's very clear, I think that's the purpose of the section of the ordinance to make it clear that a landlord is -- has a right to make a profit and basically make money on his investment.

CHAIRMAN MILAN: The way I read it is, again, I think they left it ambiguous, probably on purpose, to say kind of what you just did. Let's keep it as low as we can, close to 15, unless you truly, absolutely cannot make anything close to making money.

MR. MAYEROVIC: And I'll say something else to you. In Ms. Colditz's analysis, she didn't give a us a rate of return in her analysis. She's at my number without a rate of return.

CHAIRMAN MILAN: I got that.

MR. MAYEROVIC: Because what I did, in my analysis, I reduced operating -- I artificially reduced operating expenses.

MS. COLDITZ: Yes.

MR. MAYEROVIC: And capitalized -- I don't mean to say capitalize it, but for the future, to throw it in the basis. We didn't throw it in the basis in this application. The only thing we through in the basis in this application is the actual cost of the tax sale certificate.

CHAIRMAN MILAN: I mean because basically if we go 15 percent, we need to understand all the other factors now, but if we went 15 percent on 130.31 --

MR. MAYEROVIC: It would be 12 --

CHAIRMAN MILAN: -- it's going up 20 bucks.

MR. MAYEROVIC: Less, less.

CHAIRMAN MILAN: 650 --

MR. MAYEROVIC: It's going to be $15.

MS. RIVERA: I understand that this is --

CHAIRMAN MILAN: 15 percent, 10 percent would be 13.

MS. COLDITZ: Close to 20.

MR. MAYEROVIC: Almost 20, I'm sorry.

MS. RIVERA: I understand that this is an unusual and extraordinary circumstance. However, back to -- I disagree with Mr. Goodman about how this section of the ordinance reads. Because, again, that sentence would not have been at the end if it was not meant to rein in and say notwithstanding what I just said before, it can't go more than 15 percent any 12-month period.

So I don't think that that sentence should be discarded. I think it's there for a reason. And I think that, you know, if there's a departure from the 15 percent, that would be a special circumstance. But I think that that last sentence is meant there to put constraints on any increases. So I don't think it's -- yes, it's contradictory to the preceding sentence, but I don't think it's there for nothing.

CHAIRMAN MILAN: I agree. I think it's -- and, again, I said that when I was backing up what Mr. Goodman said. Basically, I think it's there to say you can go over, but try to stay as close as you can to the 15. And I know we used it in the case not that long ago, but we went to about 30 percent. And we say, okay, this is the way it is. But now we're talking -- and I can understand the fear of the administrator, all of a sudden he has cases with 700 percent increases. Not sure that it would happen that much, but I don't think we'll ever have cases at this level. But, you know, still I understand that that is not what you want to open the door to.

MR. NG: This is going to be the case, I will speak to the administration to review the ordinance.

CHAIRMAN MILAN: I think they should.

MR. NG: I already did. It's pending because no way --

CHAIRMAN MILAN: Because I think by the fact that it kind of leaves it open -- and I understand why they did, why they did it, it makes sense. It's almost trying to say we understand that there might be some cases where you can't be held by this, but stay as close as you can. I got that.

But, yeah, in this case, unless you're going with a very high level, it doesn't really do any --

MR. GONZALEZ: I need 30 seconds.

CHAIRMAN MILAN: Let's ask the lady some questions. I think it would be germane. We're trying to be fair to everybody and see --

MR. GOODMAN: Mr. Chairman, can Ms. Colditz leave?

CHAIRMAN MILAN: Does anyone -- Mr. Mayerovic, do we need Ms. Colditz?

MR. MAYEROVIC: I don't need Ms. Colditz anymore. Thank you.

MS. COLDITZ: You can always call me back if you need to me.

CHAIRMAN MILAN: Thank you very much, Ms. Colditz. I'll let you handle it.

C A R M E N P. R O D R I G U E Z, after having been duly sworn or affirmed, did testify as follows:

MS. RODRIGUEZ: Carmen P. Rodriguez. C-A-R-M-E-N R-O-D-R-I-G-U-E-Z.

MS. RIVERA: Ms. Rodriguez, where do you currently live?

MS. RODRIGUEZ: I live at 711 10th Street, Apartment 3L, Union City, New Jersey 07087.

MR. NG: You can speak in Spanish.

MS. RIVERA: How long have you lived there?

MS. RODRIGUEZ: I've been living there since '88.

MS. RIVERA: And what is your current monthly rent?

MS. RODRIGUEZ: Right now, it's $132.80 this month.

MS. RIVERA: And how long have you paid that rent?

MS. RODRIGUEZ: This rent, I've been paying for four years.

MS. RIVERA: Okay. And what was your

rent prior?

MS. RODRIGUEZ: Before, I paid 384. They said that it was -- I was overpaying, they reduced it to this number.

MS. RIVERA: Okay. And who do you reside there with?

MS. RODRIGUEZ: Me and my husband. My husband is very sick at this time. He doesn't walk, he doesn't talk, nothing.

MS. RIVERA: And how old are you both?

MS. RODRIGUEZ: My husband is 78 and I am 66.

MS. RIVERA: Okay. I have nothing further for her.

MR. MAYEROVIC: Just one question. You went to the rent office and applied for a rent reduction; is that correct?

MS. RODRIGUEZ: Yes. They sent me a letter saying that I was overpaying.

MR. MAYEROVIC: And you were paying?

MS. RODRIGUEZ: Supposedly my rent was supposed to be $100, and $40 more of rent. I don't know how they got that number. Never did any repairs. Last year, the whole year we had without heat. We didn't have heat the whole year, and that's why my husband got sick.

MR. MAYEROVIC: I want to ask you a question. Am I correct they put a new heating system in your apartment?

MS. RODRIGUEZ: This year.

MR. MAYEROVIC: Am I correct?

MS. RODRIGUEZ: In May.

MR. MAYEROVIC: And am I correct that you had an older type heating system, which was a stove and a separate unit. And they put a whole new unit in with a new stove; am I correct?

MS. RODRIGUEZ: Yes. But this year, May.

MR. MAYEROVIC: In May in 2023?

MS. RODRIGUEZ: Um-hum.

MR. MAYEROVIC: Right. And you also got new windows?

MS. RODRIGUEZ: Yes.

MR. MAYEROVIC: Okay. Nothing further.

CHAIRMAN MILAN: Okay. Mr. Goodman, anything?

MR. GOODMAN: No, thank you. I have no questions.

MR. NG: I have to say something just for the record, because I know the tenant mentioned that she received a letter reducing the rent. The only -- my staff, Francois, Casmila, and Kenny, the only way they can send a letter reducing or increasing is when the tenant come to the office and ask for a legal rent calculation. If she received a letter saying that you may be paying more, this is the regular letter that the administration, my office, sent to the entire city asking tenants saying if you believe you're paying more than what you're supposed to be paying, please pass by rent control to see Kennedy, see one of my staff.

MS. RODRIGUEZ: That was it.

MR. NG: We don't send letters.

MR. MAYEROVIC: I know, it's okay.

MR. NG: For the record, for the clarity of the tenant.

MR. MAYEROVIC: Nothing nefarious, it's done in the normal course. But there was a rent reduction, substantial.

CHAIRMAN MILAN: Let me try to get a clarification and maybe it's from your side. I guess there was a tax issue with the prior landlord and they put this building on sale?

MR. MAYEROVIC: This unit.

CHAIRMAN MILAN: This unit. How many units did -- you're under rent control, so I'm trying to see --

MR. MAYEROVIC: This is the only one.

CHAIRMAN MILAN: That's all they own?

MR. MAYEROVIC: We only own one of the units. I have my client.

CHAIRMAN MILAN: It's a condo, it's under rent control --

MR. NG: Yes.

CHAIRMAN MILAN: That's the way it works. I wasn't sure about --

MR. NG: Even three, if you don't live in one of them, then you would be.

CHAIRMAN MILAN: You only have one, then that's it.

MR. NG: It will be.

CHAIRMAN MILAN: Unless they live in one -- if they have two, but live in one, then you don't --

MR. NG: That's a different story.

CHAIRMAN MILAN: Okay, got it.

MS. RODRIGUEZ: They never told me.

CHAIRMAN MILAN: Okay. And because they were kind of almost letting it go because they felt they couldn't maintain it, that's why the sale came out or whatever.

MR. MAYEROVIC: This was an older apartment. I have my client here. This was an older apartment. It's been new heating system, new windows, you know. We've done, you know, what we need to do. So it really is a habitable place. There was electrical work and you see the expenses. How did we get to 38 -- to the adjusted figure of 38,000.

CHAIRMAN MILAN: And they were looked at by the accountant, so I'm going to go with that. How long -- and again you may have said at the beginning?

MR. MAYEROVIC: Four years.

CHAIRMAN MILAN: The gentleman has had it.

MR. MAYEROVIC: Four years we owned the unit.

CHAIRMAN MILAN: Hang on, if she's going --

MS. RIVERA: No.

CHAIRMAN MILAN: Okay. Hang on. Anything else that either side wants to put through?

MR. MAYEROVIC: Just for the record, just for whatever purpose it is, I just want to mark the two documents. Can we just mark the two documents, we have her report just --

CHAIRMAN MILAN: This is what you're talking about?

MR. MAYEROVIC: Mark that as P-1. Let me mark that P-1.

MR. GOODMAN: That's fine.

MR. MAYEROVIC: Let's call it A-1.

(Document marked A-1 for identification.)

MR. GOODMAN: And the board.

MR. MAYEROVIC: We'll do Ms. Colditz's report as B-1.

CHAIRMAN MILAN: Fine.

MR. MAYEROVIC: I'll get you sets of copies.

CHAIRMAN MILAN: I think we have enough.

MR. MAYEROVIC: I prepared.

CHAIRMAN MILAN: Okay. Tenant advocate, do you have anything else like as far as numbers that you might see your client being able to?

MS. RIVERA: I've spoken to my client and, you know, she's of the position that what the law allows is what she will pay.

CHAIRMAN MILAN: Okay. I make a motion that we close testimony and go into deliberations.

MR. NG: Motion was made by our chairman, Juan Milan.

COMMISSIONER COLON: I second it.

MR. NG: Seconded by Commissioner Rosana Colon. Roll call.

Commissioner Norma Guevara.

COMMISSIONER GUEVARA: Yes.

MR. NG: Commissioner Ydaly Pozo.

COMMISSIONER POZO: Yes.

MR. NG: Commissioner and Vice Chairman Sandra Vasquez.

VICE CHAIRPERSON VASQUEZ: Yes.

MR. NG: Commissioner Rosana Colon.

COMMISSIONER COLON: Yes.

MR. NG: Chairman Juan Milan.

CHAIRMAN MILAN: Yes.

MR. NG: Motion has passed.

CHAIRMAN MILAN: Okay. This one's tricky, I'm not going to say that it isn't. It's a tough one because there's an ambiguity in the ordinance. And usually because our margins are a lot bigger in the couple times that we've hit it, we can say, okay, this is what we think they're saying and let's go with the lowest we can because we have to stay very close to 15. But it's always enough that you can -- because the margin of what the current rent is gives you enough leeway that at least expenses are being paid.

Here, we have an extra factor that I find tough in the sense that you have tenants who really can't go above that much of what they are doing due to health reasons and everything else. I mean is there some -- you might know this one, Mr. Ng, is there some program or something that covers or can be used when both applicants are senior citizens I guess?

MR. NG: You mean to help to pay the rent?

CHAIRMAN MILAN: Is there some federal or state or anything or program that you know of that can --

MR. NG: The only thing that I know that she could be welcome to apply for housing for senior citizen buildings when they have availability. And they have a large list.

CHAIRMAN MILAN: Waiting list.

MR. NG: And I don't know about the circumstances when you have a very ill person in the family, but --

CHAIRMAN MILAN: That's it, there's no.

MR. NG: Okay.

CHAIRMAN MILAN: That's a housing, that she would have --

MR. NG: Not from the city. The city can help one month, but not --

CHAIRMAN MILAN: That's not --

VICE CHAIRPERSON VASQUEZ: What about utilities, utilities, is that also included?

MR. MAYEROVIC: No, we didn't. In our calculations, we did not.

MS. RIVERA: She pays for her own.

CHAIRMAN MILAN: I was assuming that she was, yeah. I'm assuming she's paying for her own utilities, I'm assuming. I'm not sure about water, but that might be there too.

MR. NG: Mr. Milan, I'm sorry, when she was paying 300 something before the decrease in the rent, was she able to pay that amount? I don't know how much.

MS. RODRIGUEZ: 384 I was paying.

MR. NG: Was she able to pay on time?

MS. RODRIGUEZ: We had to pay because there was no choice.

CHAIRMAN MILAN: That's good. That's good because, yeah, that's kind of the way I'm thinking, is what is the most that she can pay. I asked tenant advocate, she gave me the answer that whatever the law permits.

In this case, again, I don't think we can just go to 15 percent, $20 increase, I don't think is going to help the landlord much. And at the same time, I believe as Mr. Goodman says, that at this point, we do have a bit of a leeway. It would be nice if it was one way or the other in the ordinance. And I would recommend that that is suggested to the city father's, not sure that they'll follow, but they have the right. And they might want to leave it in this sense to give themselves some flexibility. But cases like this show that it could also put us in a kind of a quandary as to what we do.

MR. NG: Exactly.

CHAIRMAN MILAN: So I would suggest that. And I think Mr. Goodman kind of suggested that also.

MR. GOODMAN: I would agree, yes.

CHAIRMAN MILAN: Yeah. But in this case, I'm trying to go with what's the most that the lady and her husband can pay. And because we do think that if we put the landlords against the wall, we might end up with the same situation that had them buy the building is I can't function without it. And that's not good for anybody. I think that what Mr. Ng just mentioned with the most that they can -- they have already paid 384, I think that's kind of the area where we can land. But even that is -- what is the percentage for that? Even that, we're talking 200 percent.

But she has paid that before, we know that the landlords have a genuine, approved by our accountant, hardship application and that makes sense. I'm going to go with putting her back on 385, just not to worry about the cents. And I realize that that is a big number, but we have seen them be able to pay. And that gives at least some help to the landlord. Although, I realize it's not probably enough to even pay some of the fees that the condominium does. But we have to stay close to as much as we can to the 15 percent. And yet we do have the leeway, in some cases, where efficient and they've been proven to be efficient, based on our accountant's review.

I'm going to go -- and, again, please fight me hard on this one because I'm totally going on what I can do here. But I'm -- I run out of ideas because of the situation.

VICE CHAIRPERSON VASQUEZ: It's not much to work with.

CHAIRMAN MILAN: The persons we have in front there, I don't have much to work for a deal or a negotiation between the parties obviously. Otherwise, we wouldn't be here, because I would assume that counsel would have come to an agreement before. So I'm going to say 384. I don't know, please fight me.

COMMISSIONER GUEVARA: That's fine.

CHAIRMAN MILAN: This one, I'm kind of trying to pull it together.

VICE CHAIRPERSON VASQUEZ: We don't have a lot of room to work with, I agree.

MS. RODRIGUEZ: So it would be more than 15 percent? We're senior citizens. My husband is really bad shape, I have to pay a lot of medicine.

CHAIRMAN MILAN: I understand.

MS. RODRIGUEZ: He's in really bad

shape.

CHAIRMAN MILAN: We understand that it's a big expense, but we also have to understand the landlord has to be able to pay their -- I mean if it were multiple units that they had bought, you could see that. I would like to see then the whole picture and see whether economically it might, but in this case, it's one, so...

MS. RODRIGUEZ: Can I say something?

CHAIRMAN MILAN: Yeah, I'll let her.

MS. RODRIGUEZ: The attorney, the prior attorney, Regina, $6,000 we paid and my husband is so sick, we won't take the money. He said no, leave it like that and we'll pay the rent that rent control permitted us to pay because we know -- my husband is sick for a long time. He has dementia and Alzheimer's, he's very sick.

CHAIRMAN MILAN: Was there any -- as far as you know, I realize I'm asking this out of the blue, was there a settlement like that?

MR. MAYEROVIC: We never -- if she wants to move out -- if she wants to move out, I would talk to Christina, I would talk to Christina -- I'm sorry, Ms. Rivera. I would talk to Ms. Rivera if she wants to move. But I wouldn't want you to rule based on the discussions on the table.

So what I would say is carry this, you know, carry this for a month, if you want to -- do you want -- I can begin discussions with Ms. Rivera.

MS. RIVERA: About what? About a move out?

MR. MAYEROVIC: If she wants to move out.

MS. RIVERA: I don't think that's what she's looking for.

MR. MAYEROVIC: What was she saying.

MS. RIVERA: She was saying there was a calculation that when the rent was reduced, there was a calculation of an overcharge of about $6,000 that she never pursued. But that now she's asking about it.

MR. MAYEROVIC: I don't know what's on -- that's what she's talking about. Just make your ruling then. If that's the case, just rule whatever you have to rule and we'll deal with it however -- I'm not -- I've said my piece.

CHAIRMAN MILAN: I understand.

MR. MAYEROVIC: You've been very gracious, you've listened to me. I think you fully comprehend. I think you understand the issues that are involved. I wouldn't want to be in your shoes making the decision.

CHAIRMAN MILAN: I don't like being in mine.

MR. MAYEROVIC: I wouldn't want to be in your shoes tonight making decisions either way. I understand. We'll deal with it once you've made your ruling.

CHAIRMAN MILAN: I understand. That's my motion. Unless everyone, you want to disagree with it, I'm fine with it. I think it's -- obviously, the case is complex enough that I can see you go one of three ways and still be kind of valid, based on the evidence we have here.

COMMISSIONER POZO: I second it.

VICE CHAIRPERSON VASQUEZ: I don't disagree.

CHAIRMAN MILAN: Nothing? You're going with that, you think that's a fair amount.

Okay. I have a motion that we raise it to $384, based on prior experience that they have been able to pay that amount. We realize that's a burden on them and that's why they had originally come to ask for -- to see if there was a rent that was less. We realize that the ordinance does say that it should only be 15 percent, but it does open a door saying if an efficient landlord cannot make a return on that investment, then the 15 may not be the end all number.

So based on that, we're making a motion that we're going to use $384.

MR. NG: So a motion was made by our chairman and I believe Commissioner Ydaly Pozo seconded it. Okay.

COMMISSIONER COLON: She's asking if they can increase --

CHAIRMAN MILAN: Let's do the roll call.

MR. NG: Commissioner Norma Guevara.

COMMISSIONER GUEVARA: Yes.

MR. NG: Commissioner Ydaly Pozo.

COMMISSIONER POZO: Yes.

MR. NG: Commissioner and Vice Chairman Sandra Vasquez.

VICE CHAIRPERSON VASQUEZ: Yes.

MR. NG: Commissioner Rosana Colon.

COMMISSIONER COLON: Yes.

MR. NG: Chairman Juan Milan.

CHAIRMAN MILAN: Yes.

MR. NG: Motion passed.

MR. MAYEROVIC: I understand from the statute that it takes effect 30 days once the resolution is passed?

CHAIRMAN MILAN: Um-hum.

MR. MAYEROVIC: I would ask there will be a formal resolution on this item?

CHAIRMAN MILAN: Are you going to write a resolution on this, Mr. Goodman?

MR. GOODMAN: I'll speak with Neil about that.

MR. MAYEROVIC: Just -- I would ask for a resolution, a formal resolution. So I can do whatever I have to do.

CHAIRMAN MILAN: Of course.

MR. NG: It will be formal.

MR. MAYEROVIC: Thank you very much.

CHAIRMAN MILAN: Thank you. Appreciate it.

MR. NG: Don't go away, we have another item, just to approve a resolution from a previous meeting.

MR. GOODMAN: Thank you.

MR. MAYEROVIC: Thank you very much.

* * * *

RESOLUTION:

MR. NG: So Neil asked me to finalize the meeting with a previous case resolution to be approved by the board to take a couple minutes and go over it. And this is about the 218 New York Avenue, Apartment 10, Union City, New Jersey, rent determination appeal. So it's a resolution to be approved.

CHAIRMAN MILAN: Was anyone not here on October 28th, on the meeting in October?

I make a motion that we accept the finding of fact resolution for 218 New York Avenue, Apartment 10, based on a decision that was rendered on January 8, 2024.

MR. NG: So motion was made by our chairman, Juan Milan.

COMMISSIONER COLON: I'll second it.

MR. NG: Second by Commissioner Rosana Colon. Roll call.

Commissioner Norma Guevara.

COMMISSIONER GUEVARA: Yes.

MR. NG: Commissioner Ydaly Pozo.

COMMISSIONER POZO: Yes.

MR. NG: Commissioner and Vice Chairman

Sandra Vasquez.

VICE CHAIRPERSON VASQUEZ: Yes.

MR. NG: Commissioner Rosana Colon.

COMMISSIONER COLON: Yes.

MR. NG: Chairman Juan Milan.

CHAIRMAN MILAN: Yes.

MR. NG: Motion has passed.

OTHER BUSINESS:

CHAIRMAN MILAN: I make a motion that we open the public session of our meeting.

MR. NG: Motion was made by our chairman.

VICE CHAIRPERSON VASQUEZ: I'll second that.

MR. NG: Second by vice chairman Sandra Vasquez. Roll call.

Commissioner Norma Guevara.

COMMISSIONER GUEVARA: Yes.

MR. NG: Commissioner Ydaly Pozo.

COMMISSIONER POZO: Yes.

MR. NG: Commissioner and Vice Chairman Sandra Vasquez.

VICE CHAIRPERSON VASQUEZ: Yes.

MR. NG: Commissioner Rosana Colon.

COMMISSIONER COLON: Yes.

MR. NG: Chairman Juan Milan.

CHAIRMAN MILAN: Yes.

MR. NG: Motion has passed.

CHAIRMAN MILAN: Are there any members of the public that would like to make any statements, ask any questions or anything like that at the moment? Seeing no comments, I'll make a motion to close the public session.

COMMISSIONER POZO: I'll second it.

MR. NG: Roll call.

Commissioner Norma Guevara.

COMMISSIONER GUEVARA: Yes.

MR. NG: Commissioner Ydaly Pozo.

COMMISSIONER POZO: Yes.

MR. NG: Commissioner and Vice Chairman Sandra Vasquez.

VICE CHAIRPERSON VASQUEZ: Yes.

MR. NG: Commissioner Rosana Colon.

COMMISSIONER COLON: Yes.

MR. NG: Chairman Juan Milan.

CHAIRMAN MILAN: Yes.

MR. NG: Motion has passed.

ADJOURNMENT:

CHAIRMAN MILAN: I make a motion to adjourn.

MR. NG: Motion to adjourn.

VICE CHAIRPERSON VASQUEZ: I second that, too.

MR. NG: Motion all in favor to adjourn the meeting?

(All Board Members indicate in the affirmative.)

(Whereupon the meeting was adjourned at 9:00 PM.)

C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing is a true and accurate transcript of the testimony and proceedings as taken stenographically by me at the time, place, and on the date hereinbefore set forth.

____

SUSAN BISCHOFF, CCR, RPR
LICENSE NO. 30XI00233700