

CITY OF PASSAIC
ORDINANCE NO. 2494-25

ORDINANCE AMENDING SECTION 231-23, "RENT STABILIZATION OF 2025," OF CHAPTER 231, "RENT CONTROL," OF THE CITY OF PASSAIC CODE TO REDUCE MAXIMUM ALLOWABLE RENTAL INCREASES

WHEREAS, pursuant to N.J.S.A. 40:48-2, the governing body of a municipality may make, amend, repeal, and enforce ordinances as it may deem necessary and proper for the good government, order and protection of person and property; and

WHEREAS, the City of Passaic enacted Section 231-23, "Rent Stabilization of 2025," by Ordinance No. 2474-24, effective January 7, 2025, and later amended by Ordinance No. 2476-25 on February 4, 2025, to provide rent stabilization protections for tenants in multiple-dwelling housing spaces; and

WHEREAS, with the goal of promoting new development, New Jersey state law, N.J.S.A. 2A:42-84.2, exempts new construction from rent control for a period of time and provides specific guidelines for developers on these exemptions; and

WHEREAS, the current ordinance permits landlords to increase rent by a maximum of 6% once in any twelve-month period; and

WHEREAS, the Mayor and City Council have determined that reducing the maximum allowable rental increase to 3% will provide greater housing affordability and stability for residents while still allowing landlords reasonable returns on their investments; and

WHEREAS, this reduction in the maximum allowable rental increase is necessary to address ongoing concerns about housing affordability within the City of Passaic.

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Passaic that Section 231-23, "Rent Stabilization of 2025," of Chapter 231, "Rent Control," is hereby amended as follows:

SECTION 1.

§231-23A is amended to read as follows:

Notwithstanding any other provision of this chapter, from the effective date of this section, up until the sixth anniversary of the effective date of this section, it shall be unlawful for any landlord of a multiple-dwelling housing space or dwelling unit to demand, receive or collect any rental increase more than once in any twelve-month period; or, in situations in which a lease for a period of time greater than 12 months is involved, no landlord shall demand, receive or collect any rental increase more than once in a twelve-month period and any rent increase shall be restricted to a maximum of 3% plus a fee derived from any pro rata share of property tax increases incurred in that calendar year as set forth in Subsection (1) below. The landlord may increase the base rent on each annual anniversary date of each tenancy by a maximum of 3%

- 1) Above any maximum rental increase authorized within this section, § 231- 23, any landlord who receives a municipal property tax increase may pass to the tenant a portion of the increase equal to the fraction of the floor area of the building occupied by the tenant's dwelling unit. Any such adjustment should take effect upon the anniversary date of each tenancy, shall be specifically itemized in the landlord's rental increase notification, and shall be deemed an admissible fee over and above the 3% maximum rental increase. For purposes of future rent increases, the portion of monthly rent associated with this property tax increase fee shall not be incorporated when calculating the subsequent permissible rent increase.
- 2) In the event that the unit becomes vacant, the rental increase limitations imposed by this ordinance will remain in effect.
- 3) Any multiple-dwelling housing space or dwelling unit built after 1996 shall be exempt from this section for a period of time not to exceed the period of amortization of any initial mortgage loan obtained or for 30 years following completion of construction, whichever is less. Landlords are required to furnish written notice of this exemption to each affected tenant by lease or separate correspondence.

SECTION 2.

Chapter 231 is amended to add a new Article V, entitled "General Administrative Requirements," consisting of §§ 231-24 through 231-25, to read in its entirety as follows:

ARTICLE V General Administrative Requirements

§ 231-24 Tenant Registration Requirements.

1. All landlords subject to this Chapter shall submit complete tenant registrations as required under Chapter 185-1 et. seq. for all dwelling units and then submit copies of the filed registrations to the Rent Leveling Board. Such registrations shall be submitted annually and shall include all information required by the Board to administer this Chapter.
2. No increase in rent under this Chapter shall be permissible, unless the landlord of the dwelling shall have complied with this registration requirement.

§ 231-25 Annual Rent Increase Notice Requirements.

1. Any landlord seeking to increase rent under this Chapter shall provide written notice to the affected tenant at least 30 days prior to the effective date of such increase. Such notice shall itemize the new rent demanded, including but not limited to, the previous base rent and any increase thereon, as well as any surcharges or other charges. Such notice will also include the previous rent paid for the unit, the effective date of the new rent, and cite the legal authority under this Chapter permitting such increase.

2. The notice shall include a certification by the landlord that the landlord is in compliance with the registration requirements of 231-24, and a certification that the dwelling and housing unit is in substantial compliance with the applicable Property Maintenance Code of the City of Passaic (Chapter 219), its amendments and supplements thereto.

SECTION 3.

§231-23C and D are hereby repealed and replaced by the following:

Any property subject to a payment in lieu of taxes shall be exempt from this Chapter until its expiration.

SECTION 4. All ordinances or parts of ordinances inconsistent herewith are hereby repealed to the extent of such inconsistency.

SECTION 5. If any section, subsection, paragraph, sentence, clause, or phrase of this Ordinance shall be declared invalid for any reason whatsoever, such decision shall not affect the remaining portions of this Ordinance, which shall continue in full force and effect, and to this end the provisions of this Ordinance are hereby declared to be severable.

SECTION 6. This Ordinance shall take effect upon final passage and publication as provided by law.

INTRODUCED BY COUNCILPERSON: TERRENCE LOVE

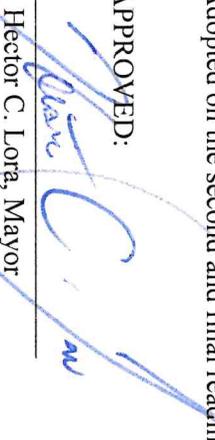
SECONDED BY COUNCILPERSON: THANIA MELO

Record of Council Vote on Final Passage	Aye	Nay	Abstain	Absent
GARCIA, J.	X			
MELO, T.	X			
LOVE, T.	X			
MUNK, C.	X			
SCHAER, G.	X			
MAYER, D.	X			
COLON-MONTANEZ, M.	X			

Adoption of first reading at a meeting of the Council of the City of Passaic, NJ on AUGUST 5, 2025

Adopted on the second and final reading after the hearing on SEPTEMBER 2, 2025

APPROVED:


Hector C. Lora, Mayor

Date

9/2/2025


Gary S. Schaer, Council President

Weatherly Frias, City Clerk