

LOPATCONG TOWNSHIP RENT LEVELING BOARD
REGULAR MEETING MINUTES
JULY 17, 2025

CALL TO ORDER

Chairman Palitto called the meeting to order.

SILENT PRAYER

Chairman Palitto offered a moment of silent prayer.

PLEDGE OF ALLEGIANCE

Chairman Palitto requested everyone stand for the Pledge of Allegiance.

OPEN PUBLIC MEETINGS STATEMENT

Chairman Palitto stated “Adequate notice of this meeting has been provided indicating the time and place of the meeting in accordance with Chapter 231 of the Public Laws of 1975 by advertising a Notice in The Express Times, Warren County Zone and The Star Ledger and by posting a copy on the bulletin board in the Municipal Building.”

ROLL CALL

Present: Member Rich McQuade and Chairman Jim Palitto

Also Present: Attorney Igor Bykov

Chairman Palitto continued the meeting with the scheduled hearing of the Warren Heights Apartments Hardship/Complaint.

HEARING:

- Warren Heights Apartments – Hardship/Complaint – Landlord – Rent increase

Attorney Parita Patel of the law office of Sobel Han appeared for the landlord, Warren Heights Apartments a/k/a Warren Heights Realty. She advised that she assisted the Warren Heights Apartments in submitting the hardship/complaint form that is before the Board. She stated that essentially the ordinance in Lopatcong states that a fair return should yield 6% over the maximum passbook demand deposit and right now, given the gross revenue considering the expenses that Warren Heights Apartments is incurring, they are only yielding a 4.95%. Attorney Patel further stated that it is with this application that they are requesting to increase the rent in

order to be able to yield that fair return. She stated that the Trailing Income Statement from November 2023 to October 2024 was submitted with the hardship/complaint along with the other financials that represent the expenses that were incurred as well as the tax returns and addresses of all the condo units that Warren Heights Apartments own.

Attorney Bykov confirmed receipt of the application and advised that the Board has reviewed it. He advised that before he gives the tenants a chance to speak, the Board has some questions.

Chairman Palitto asked Attorney Patel how many new tenants have there been in 2025 and Attorney Patel advised the Board that the property manager and the COO were present and could answer that question. The property manager advised that she could give an estimated amount for vacancy decontrol applications that were submitted. Attorney Bykov and Chairman Palitto point out that there are several vacancy decontrol applications on the tonight's agenda.

Secretary Segeda advised that she keeps a running list of all vacancy decontrol applications and that she includes them on every agenda. She stated that if they were added up for January, March, May and tonight, that would give you the answer.

Attorney Bykov confirmed with Attorney Patel that Warren Heights Apartments has 155 units.

A few people shouted from the public that there are 155 units. Lynn Jameson stated from the public that only 116 certified letters were sent out and on the second round, only 71 were certified. She stated that is fact core proof! Chairman Palitto stated to Ms. Jameson that she will have her chance to speak and asked her to wait to speak when it is her turn.

Attorney Bykov confirmed that in Warren Heights Apartments submission, it states that there are 155 units total but several are currently vacant and not leased. Attorney Bykov asked if that number increased or decreased since the date of the application. The property manager advised that the number did increase and that Warren Heights Apartments currently has 10 vacancies. Attorney Bykov confirmed with the property manager that the vacancies increased by three.

Attorney Bykov asked Attorney Patel if the lease start date on the 2025 summary of the current tenants rent included new and renewal leases. The Chief Operating Officer for Sela Realty Investments, Brenda Cristiano advised that the summary might include new tenants and lease renewals. She stated that every time a tenant renews, the lease start date changes.

Attorney Bykov further asked how many of the rentals beginning in 2025 are brand new leases and not lease renewals and Ms. Cristiano advised that she did not have that information but could provide it to the Board at a later date. Attorney Bykov stated that he would like to see how many new occupants there have been since the beginning of this year. Ms. Cristiano stated that she does not have that number but stated that each time there is a new tenant, a vacancy decontrol application goes to the Rent Leveling Board.

Member McQuade advised Ms. Jameson speaking from the public that she will have a chance to talk when the Board calls her.

Secretary Segeda stated that looking back at the vacancy decontrol applications from Warren Heights listed on each agenda for 2025, there were six in January, four in March, three in May and seven to date in July for a total 20.

Attorney Bykov asked if they are seeking for the 20 vacancies to be filled. Ms. Cristiano stated that they are seeking to fill the vacancies but that some may have already been filled.

Attorney Bykov asked Attorney Patel if she is familiar with the vacancy decontrol applications for Warren Heights Apartments and she stated that she was. He further asked if she understood that by vacancy decontrol upon voluntary cessation of a lease agreement or court ordered eviction, should there be one, you and the new tenant are permitted to negotiate a fair market rent that is not bound by the previous tenants rent and Attorney Patel stated yes. Attorney Bykov asked how many of those 20 applications have been for market rent and Ms. Cristiano answered that all 20 were for market rent. Attorney Bykov asked if it would be fair to say that out of 155 units, at least 20 of them are now subject to market rent and Attorney Patel answer that was correct.

Attorney Bykov asked Attorney Patel if she know how many of the units are not subject to market rent and she advised that she did not have that information.

Member McQuade asked Attorney Patel if she understood that number would be important to the Board.

Attorney Bykov asked Attorney Patel if the increase was to be granted, what would be the average monthly increase on one's rent in dollar figures and she advised that she has percentages. She stated that it would be an increase of approximately 13.9% per unit.

Attorney Bykov stated that the application states Warren Heights Apartments are seeking the full 15%, but he is more curious to know the average dollar amount that will be levied on the tenants should the increase go through. Attorney Patel stated that the average would be around \$250.

Many people from the public begin shouting and Chairman Palitto advised the public that they will have a chance to speak after the attorney for the landlord is done speaking.

Attorney Bykov referred Attorney Patel to section 173-10 of the rent control ordinance. He stated that he understands that the application Warren Heights Apartments is making is rooted in a financial hardship. Attorney Bykov asked if the landlord is also planning to submit an application for any improvements and Attorney Patel stated that they are not at this time. Attorney Bykov further asked if there was any intent by the landlord to make any improvements to the properties. Brenda Cristiano, the Chief Operating Officer for Sela Realty Investments, advised that the application is for hardship and part of the reason they are before the Board is because the amount of money they bring in is not allowing them to meet certain operational expenses. She stated that they indicated in their application that their taxes went up in 2024, the HOA fees went up 7.5% and CPI was 2.9% and the previous year it was over 4%. She further stated that according to the ordinance, they can make the application so they can have the rate of return of at least 6% and they are way below that.

Shouts from the public (inaudible) about improvements.

Chairman Palitto asked if all units were up to code and Ms. Cristiano advised that they are.

Shouting continued and Attorney Bykov reminded the public that they will get a chance to speak and to please bear with them.

Attorney Bykov stated that as to the topic of the ordinance, Chapter 173-10 provides two methods for an increase. One is based on financial hardship which is what you are citing here today and one that is based on improvements. Attorney Bykov asked Attorney Patel to point him to the section of the financial hardship that gives you the authority to request an increase up to 15%.

Ms. Cristiano stated that she does not have that in front of her but, per our ordinance, they should be making 6%. Attorney Bykov stated that is the definition of fair return on investment. Ms. Cristiano stated that they are not making fair return and that in order for them to make fair return of at least 6%, with their calculations, they would need an increase of 13.95%. She further stated that in order for them to be at 6%, they are missing \$428,000 from the next operating income.

Attorney Bykov asked Ms. Cristiano if she included the 10 vacant units that the landlord currently has when she made the calculations and she stated that she did. Attorney Bykov asked if it would be in the landlord's best interest to lease those units out before seeking an increase and Ms. Cristiano stated that it fluctuates month by month and it makes it very hard to.

Attorney Bykov asked Chairman Palitto for a moment to speak in order to understand the landlord's position correctly.

Attorney Bykov stated that the application that is before the Board is routed in a financial hardship where the landlord is citing that they are not meeting a fair return in investment despite making a 4.59% return. He further stated that they are not intending to make any improvements that would merit the increase and are simply seeking to get a fair return at 6% and judging by their calculations, will result in a net monthly rental increase of \$300 without doing anything to justify it. Is that correct?

Ms. Jameson interrupted from the public stating that the figures are incorrect as to her unit and Attorney Bykov stated that it is an average.

Attorney Patel stated that it is a combination of the maintenance costs, management fees that they are occurring, the HOA fees that will increase, taxes increasing and the cost of labor. It is an aggregate of all of the aforementioned that is causing them to not yield the net of what they were once making. She further stated that the costs have risen but the rental income has not risen at the same level.

Ms. Cristiano added that the operating income that they need makes it very hard to do any improvements. She stated that every month they are basically trying to see if they are going to pay the mortgage, insurance, etc. She stated that when you run the numbers, it is right there.

This is why they decided to come in front of the Board. Ms. Cristiano further stated that the increase that they are requiring is a one-year increase that would get them to the amount they need and then the rent increase would go back to the amount that is allowed.

Attorney Bykov asked Attorney Patel and Ms. Cristiano if the landlord took advantage of the 3% rental increase permitted by Chapter 173 last year and Ms. Cristiano advised that they have at 2.8%. Attorney Bykov asked for confirmation that the landlord has increased the tenants' rent by 2.8% last year and that they are now seeking to increase it by 15% thus totaling 18% in a matter of a single year and then by the definition of the ordinance, if the Board was to grant the increase, that new number subject to the 15% increase becomes the base rent which will then be increased by another 3% next year.

Shouting from the audience (inaudible).

Mr. Cristiano stated that if a tenant already received a renewal this year and they are not due to renew until the following year, it would be the next renewal that they would be increased. She further stated that no tenant will be increased 18% in one renewal. She stated that they are asking for a waiver of the 2.8% rent increase.

Attorney Bykov confirmed that from a practical perspective, (and he stated he is going to use 3% because it is much easier to say than 2.8%) each unit's rent was increased by 3% at the last date of renewal and that they are now seeking a 15% increase which will apply immediately, should the Board grant it, and then at the next renewal period they will then also be seeking another 3% increase? Ms. Cristiano stated yes; that every year they would. She further stated that every year they will increase the allowed amount of 2.8%. She apologized for correcting the amount of 2.8% from 3% stating that those few numbers make a difference and Attorney Bykov agreed.

Attorney Patel added that the costs will also be increasing at that time. She stated that those fees would be the cost of the maintenance, management and just the expenses that they are incurring to maintain these units at the condition that they are now.

Chairman Palitto asked if the maintenance and management fees go up every year and Attorney Patel replied that they do. Ms. Cristiano stated that the management fees and the maintenance fees increased and that the HOA fees went up 7.5% this year. Ms. Cristiano advised the Board that 2.8% is not enough.

Attorney Bykov asked if Ms. Cristiano understood that there is the vacancy decontrol process where they can request a market rate that's not subject to that 2.8% increase and she stated that she did.

Ms. Cristiano stated that at the end of the day, they need to stay within the market rent for our surrounding areas. She stated that she cannot just state that she's going to rent this unit for \$3,000 when the neighbor is renting their unit for \$2,500.

Many shouting from the public (inaudible).

Attorney Bykov stated that he understands that no one's rent is uniform.

Ms. Cristiano stated that in terms of improvements, we do take care of the units. She stated that they just changed HVAC systems.

The public erupted with shouting and Ms. Cristiano informed the Board that it is very hard to talk. Attorney Bykov again pleads with the public to quite so Ms. Cristiano can speak and Chairman Palitto apologized to Ms. Cristiano.

Ms. Cristiano continued by stating that the improvements that they do make are major expenses. Each time they have to change an HVAC unit, for example, it is approximately \$7,000.

Chairman Palitto asked Attorney Patel if she had anything else for the Board and she advised that she does not at this time.

The Board and Attorney Bykov thanked Attorney Patel and Ms. Cristiano.

Attorney Bykov advised that the Board will now hear from the tenants. He stated that he understands many of the Warren Heights' residents will likely have the same things to say, so if a certain point has already been stated, it is kindly requested that you refrain from coming to the podium and repeat the point. Attorney Bykov let the public know that he and the Board understand that an increase is a financial hardship and that the Board has received many financial hardship notices indicating that there is a variety of issues associated with the requested increase so out of the interest of time, once a point has been made to not belabor it.

Secretary Segeda asked if there will be a time limit and Chairman Palitto responded that it will be three minutes per person. He further asked the public to please be respectful to the person who is speaking at the podium.

Chairman Palitto offered the public an opportunity to speak at the podium.

Stephanie (inaudible) of 442 Lenape appeared. She asked if all the complaints that were previously submitted by the tenants were put on the record as to the Warren Heights Apartments hardship/complaint. She stated that she is asking because she heard about a rebuild of the apartments. She stated that the apartments are horrible and that they flood. She continued by stating the air condition units are shoddy and that they only replace the units when someone moves out. She wants the Board to consider the tenants that are here now. Ms. Stephanie stated that she has been at Warren Heights for eight years and the beautification of the place has gone down since Sela has taken over the property. She stated that when they bought the property, they knew the condition was out-of-hand and it is their issue. She stated that the property was beautiful when she first moved in and now the landscaping is horrible. She stated that the inside of the buildings smell. Ms. Stephanie stated that most of the tenants upkeep their hallways even though they provide someone to vacuum. She stated that the buildings are shifting and that there are cracks and holes. She stated that they switch out broken appliances with an appliance from another unit. She asked what happens to the people on a fixed income and the seniors when they

talk about an increase. She said they are just trying to live with a respectable rent and the new landlord comes in and a year later talking about a 15% increase. She doesn't understand how they can jump from 3% to 15% because they can't afford to maintain the property which is not tenants' problem. She asked the Board to deny the landlord the 15% increase.

Mary Dombrowski of 415 Lenape Lane appeared. She stated that she is a senior who has been at Warren Heights for 13 years and that she submitted a financial hardship complaint with proof of her monthly income. She stated that if they raise the rent as requested, she will have to live in her car. She stated that she is a cancer and stroke patient and has bills. She has been waiting a year for the landlord to fix her facet as well as a window which doesn't open. She stated that they came to look at the facet and determined that she needed a new one but have not come back because they only have one maintenance man. She stated that they have one person and two assistants to run the office but only one maintenance man. She stated that the landlord knew what they were buying. She hasn't had a paint job in her apartment in 13 years. She stated that they don't change the filters in the air conditioners and that her carpets are also 13 years old or older. She said her bathroom is coming up and cracked. She stated that her current rent is \$1,582 and that she can't do another \$300.

Linda Pasternak of 154 Horseshoe Court appeared. She stated that she and her husband have been at Warren Heights since 2011 and have had a very good living experience. She stated that she is fortunate in that when Larken owned the property, she received new appliances and a new AC unit. She feels very bad that many of the tenants have not had that experience. She stated that her point is similar to what others have stated in that the landlord knew what they were buying. It is a large older complex and has many issues. She further stated that in this economy, no one is doing well and what gives the landlord the right to increase rent when they made a bad investment. A \$300 a month increase is not fair and we are good tenants. She stated the community is nice and very diverse and that there are many nice people. She stated that many are on fix incomes and there are also young families. She ended by stating that they made an investment that is not going well for them and it should not be put on the tenants.

Lynn Jameson of 348 Shannon Street appeared. She stated that she has been a resident since September 2013. She stated that her charges are all going criminal as she stated in the last meeting. She stated that the landlord just presented a case that they did not have figures on. She also stated that she felt Mr. Palitto seemed confused at the last meeting so she is going to explain. She began by stating that she was invoking her federal employee privilege to speak and not to "shut her down" as the Board needs to hear the story. She stated that there are two budgets involved. The HOA covers all the fees for everything including the common hallways which consist of the carpets, the lighting, the window cleaning, etc. The HOA takes care of everything on the property. She continued by stating that the only thing Sela Realtors takes care of is inside the unit. The HOA pays for all the upkeep outside including the pool, the storage bins, the dog park, the snow plowing, the saunas, the steam rooms, etc. She does not know who takes care of the interior screens. Ms. Jameson continued by stating that there is a second budget from the landlord. She stated that she had a phone call with Attorney Wade Baldwin for 19 minutes and she asked him if both budgets were going to a forensic auditor to see if Sela Realtors was in a financial hardship and he told her that they were not as it would cost the tax payers too much money. She states that is illegal and he put the whole Board in jeopardy which is a crime.

Ms. Jameson stated that she will submit it to the New Jersey State Police for a forensic audit which is what she does with most of her cases although she is not a lawyer but that is how she starts and that is how she wins. She asked Attorney Bykov if the Board is going to submit a forensic audit for both budgets to see if the landlord is in a financial hardship and Attorney Bykov stated that the Board would have to approve it. Ms. Jameson stated that they better or she would send it herself.

Ms. Jameson continued beyond her allotted time. She stated that she has an original lease from Larken Realtors from September 2013 showing a security deposit on line C which show that it is due back. She also had a letter from Sela Realtors showing that she is missing close to \$500. She further stated that another renter at the last meeting said that her deposit was all gone. She insisted that is another crime and asked the Board what they were going to do about it. She stated that she is going to tell the Board what is going to happen since they don't know their USC codes and since they are not federal employees. She informed Attorney Bykov that it is not double jeopardy because it is two different sovereignties and not because of federal employee status but because the state has a right to take them in and the federal government has a right to take them in. She asked Attorney Bykov if he had anything to say and he replied that he did not. She asked the Board if anyone wanted to invoke their right to an attorney.

Member McQuade informed Ms. Jameson that this is her opportunity to comment and to continue to comment and the Board will continue the hearing. He stated she needs to give other people and opportunity to speak as well. Ms. Jameson stated that these are criminal charges and Member McQuade again stated that the Board is conducting a hearing to see whether or not the Board is going to grant this hardship/complaint. She stated that this is serious and there is no hardship. She informed the Board that she will continue and Member McQuade informed her that her time is up. Ms. Jameson stated that her time is not up because she is a federal employee and that he does not know the five rules. Member McQuade asked Ms. Jameson to move on.

Ms. Jameson refused to leave the podium and continued. She stated that there are two charges which are state and federal. She stated that she is missing security deposit money. She stated that Wade Baldwin put the Board at risk of being sued plus the town. She stated that the landlord does not have a case and then stated that their case is arbitrary and capricious. She asked Attorney Bykov to explain to the public what arbitrary and capricious means and Attorney Bykov informed the Board that they need to move on with the meeting. Ms. Jameson insisted that they not move on and explained that arbitrary and capricious means that what they are asking for doesn't apply. She then stated that everyone behind her can google it.

Ms. Jameson continued exceeding the time limit for a second time. She stated that the Lopatcong Police Department is a law enforcement police department that smokes marijuana and that this is going to go state and federal so she gets her charges done correctly.

Member McQuade thanked Ms. Jameson and stated that the Board was moving on. Ms. Jameson once again refused to leave the podium and agreed that they are moving on. She continued by stating that they didn't show any proofs and there are 155 units and that there is selective enforcement going on.

Member McQuade thanked Ms. Jameson for her comments. Ms. Jameson continued by stating that only 116 units were served and then it went down to 71. She stated that they are picking and choosing and nobody has a case. She stated that she does have a case and that she is going to win.

Diane Brons of 294 Rainbow Way appeared. She stated that she lives with her husband, Dave Evans. She stated that she filed a hardship/complaint but there are things that she wanted to bring up with the Board. She stated that she went on the Warren Heights Apartments website and wanted the Board to know that the larger, two-bedroom apartment is listed at \$2,464. She advised the Board that the second two-bedroom apartment, which is what she and her husband currently live in, is \$2,386 and that the one-bedroom, which is 913 square feet, is listed at \$1,875. She stated that her current rent is \$1,964 and her electric bill for the last month was \$511 because of her air conditioner that has never been serviced. She has over two years of maintenance requests for black mold that was on her bedroom ceiling from leaking. She stated that the HOA repaired the roof but it took the landlord almost two years to come and repair her bedroom. She stated that she and her husband were sick for a long period of time. She stated that she had a three-year maintenance request for her carpets in her apartment that still has not been addressed. She informed the Board that her maintenance request keeps getting removed that she continuously has to argue to have her request put back on the maintenance list. She continued by stating that her dishwasher came out of a dumpster which is missing paint and is rusted. She said that her husband had to screw it in because the landlord failed to do it. Her microwave that broke came from the apartment next door when those tenants moved out. She stated that everything is old and damaged. There is mold in her apartment and ceilings are cracked. She is tired of waking up in the morning and having sheetrock fall on her face. She stated that she had to paint her own bathroom which she knows she will get charged for because the paint was coming off. If she doesn't turn on the humidifier in her bathroom when they shower, the fire alarms go off. She stated that the street lights don't even work any longer and you have to walk in the dark. She continued by stating that they are comparing their buildings to Larken across the street citing fair market value. She stated that if you look at Larken's property specifically the clubhouse, the dog wash barns and their buildings and gym, they are immaculate. She ended by stating that she keeps all of her maintenance requests, emails and pictures and that she can provide them to the Board, if needed.

Attorney Bykov asked Ms. Brons if she submitted any code enforcement requests to the code enforcement officer and she advised that she had not. She asked for help with doing so and Attorney Bykov directed her to look at the Township's website for contact information.

Chairman Palitto asked Secretary Segeda if she has forms and she stated that she does not.

Chairman Palitto stated that it appears that the tenants are speaking about similar issues.

Angela Fields of 325 Shannon Street appeared. She stated that she is appearing as a resident of Warren Heights but she is also a board member for the New Jersey Coalition to End Homelessness. She is also a board member for the Tri-County Executive Committee for Warren, Sussex and Hunterdon County and is also a newly appointed member of the Interagency Council

on Homelessness by Governor Murphy. She stated that she wanted to give a little perspective on the housing crisis we are about to face and how the current issue before the Board adds to that. She and her colleagues are trying to prevent the largest housing crisis in New Jersey that we've ever seen due to federal budget cuts. She stated that New Jersey will lose \$532,000,000 in housing production and housing program funding that is relied upon to keep New Jerseyans housed. Deep funding cuts target affordable housing, homeless prevention services and community development programs. She has seen significant reductions and elimination of grant dollars while simultaneously seeing record numbers of homelessness. She continued by stating that when economic hardships rise, more families in the tri-county area which is Hunterdon, Warren and Sussex counties become vulnerable to eviction, foreclosure and homelessness. She said that specific sources of programs are on the chopping block such as COC funding which is the Continue of Care funding. This means that people who are receiving permanent supportive housing vouchers may not get them. She stated that they were waiting for a Notice of Funding Opportunity from HUD which was supposed to last for two years to help people in 2025 and 2026 but that is no longer available which may cause people with housing vouchers to potentially lose their housing. You will see the affordable housing trust fund become drained which was used to fill in the gaps for rental assistance programs which means there will be no money for building affordable housing. Home funding has been zero, which is another source of building affordable housing, so essentially there will be no places that are affordable for people who are on fixed incomes. She also stated that housing prevention monies, which is for people who are in arrears, are going to be cut. She works in housing and homelessness for those who are in arrears and they usually pay up to three months arrears through housing assistance programs such as CDBG (Community Development Block Grant) which has been cut.

Ms. Fields stated that she just came from her house where she is working on shelter license reform because it is going to be a pipeline to shelter and they are trying to get more shelters to open to be able to catch some of the people that are going to experience homelessness. She stated that she was there to give a perspective that increased homelessness and return to homelessness are going to be at a level we never seen and that families, youth, veterans and seniors are going to be losing housing at astronomical numbers. She further stated that she just helped write legislation for a summit and the anti-camping ordinance and we are going to see more of that criminalization. She stated that New Jersey is a housing first state and now we see a criminalization and an attack on housing. She asked the Board to circumvent a crisis that is preventable in this case which is to not allow for a rental increase as they are trying to help build out other places and to not let their space be one of them.

Mary Nagle of 235 Windmill Court appeared. She informed the Board that if Warren Heights Apartments were to get the requested rent increase that she would be homeless. She stated that the landlord would put someone in her home that makes more money than her. She stated that there are no homes in New Jersey equivalent to what she has and she would have no place to go.

Guy Citron appeared. He stated that he lives in Califon and is running for State Assembly in this district. He stated that he was asked by a resident to come and appear on her behalf because she had a child care conflict. He expressed strong opposition to the proposed rent increase at Warren Heights. He stated that Lopatcong Township's Rent Control Ordinance exists to prevent this

kind of price gouging. He stated that the current owner is a large corporation that knew fully how much renters were paying and also know about the issues the tenants have brought up. Mr. Citron continued by stating that now, just two years later, they are requesting a 15% rent hike on top of the standard 3% claiming they need the fair and reasonable return defined by the township. He stated the return is not meant to subsidize bad business decisions but meant to protect property owners from actual financial hardship, not investment disappointment. He continued by stating the seller willingly paid a price that doesn't yield the return they hoped for and that is a business miscalculation not a justification for burdening the fine, working renters and elders. He stated that when everyday people invest in the stock market or buy property and the numbers don't work out, they don't get to appeal to a government to fix any mistakes. The application before the Board sets a dangerous precedent that a landlord can buy a property then immediately demand that the tenants pay more. That is not fair or reasonable and it is a bailout with no accountability. He further stated that if Sela can't operate the property within the bounds of the ordinance, they are free to sell the building to someone who can. He stated that the Board should protect working families and asked the Board to please reject this unfair rent increase and uphold the spirit of Lopatcong's rent control protections.

Susan Allen of 302 Rainbow Way appeared. She stated that she is a very hard-working woman but her salary is not going the same way everything else is in the world. She stated that while the Board is hearing about the elderly and fixed income, you have the working people who are also stuck because their jobs are not able to pay. People are being laid off because funding is stopping. She stated that people can't do their jobs because it is costing too much to get their businesses in due to tariffs. A rent increase would not only hurt the elderly who are on fixed incomes, but it could cause her to become homeless as well. She stated that the Board has all the information in front of them and she knows that they care about their community which is why they are on the Board fighting to make sure people are protected. She pleaded with the Board to look at the tenants. She stated that tenants will hurt if the rent increase is granted.

Kathryn Moker of 334 Shannon Court appeared. She stated that she is 30 years old and moved into Warren Heights with her mom. She then got married and started a family. She moved to East Brunswick but got pushed out of her home due to a rent increase then moved here because she loved the community. She stated that she is now being pushed out again. She is stuck in the millennial crisis and unfortunately her son who just turned two may lose his house and his grandmother, who just spoke to the Board, would be out on the streets. She stated that it is not just the older community or the hardworking middle-aged community, but it is also those who are trying to start a life. A rent increase could mean ramen for dinner for her and her husband so they could pay their rent and hopefully give their son enough food to eat so that he can grow up and be like those one of the Board members or one of the people in attendance who have worked really hard in their life. She stated that Warren Heights used to be a really beautiful place to live and was well taken care of. She wanted the Board to know that their one maintenance man, Art, deserves an award and works so hard. She knows that he cares even if the landlord does not. She stated that she has not taken a vacation in years because she can't afford it because she is trying to pay her rent and put her son in daycare. She is trying to work and maybe one day she can buy a house. She asked the Board not to grant the rent increase. She further stated that if the Board does increase the rent, to stipulate that they have to make upgrades and/or updates.

Ms. Moker stated that if the increase is granted without the stipulation, they are going to continue to do what they have been doing.

Ms. Avers of 164 Horseshoe Court appeared. She stated that she is the same position as everyone else. She just wanted to ask the Board to not grant the rent increase. She stated that she does not know where she would come up with an extra \$350 which is how much her rent would increase. She could barely feed her daughter and herself now. She stated that her pay may increase less than 2% per year but yet taxes, food and rent prices go up. She wanted the Board to know that she spends all of her vacation days at home for maintenance repairs. She asked the Board to deny the rent increase.

Chairman Palitto asked for a motion to hold an Executive Session.

- Adopt Resolution R 25-22 to Hold Executive Session

Motion by: Member McQuade

Seconded by: Chairman Palitto

ALL IN FAVOR: Ayes

NAYS: None

EXECUTIVE SESSION

- Attorney/Client Privilege

Chairman Palitto asked for a motion to come out of executive session.

Motion by: Member McQuade

Seconded by: Chairman Palitto

ALL IN FAVOR: Ayes

NAYS: None

RESUME HEARING

- Summarize Executive Session

The Lopatcong Township Rent Leveling Board emerged from its executive session at 8:11pm. Attorney Bykov stated that the Board discussed the merits of the Warren Heights Apartments Hardship/Complaint and the minutes from the executive session will be available at such time as the Board determines there is no harm to the public interest.

Chairman Palitto stated that the Board has heard from both sides; landlord and tenants. The Board believes that for the landlord there are less restrictive means to obtain a fair return on investment and cites examples such as vacancy decontrol. He further stated that no improvements have been made to the units and there is no intention that they will make any repairs to these units. The Board feels that it is unjust to charge these tenants a 15% rent increase.

Chairman Palitto made a motion to reject the Hardship/Complaint of Warren Heights Apartments and Member McQuade seconded the motion.

Motion by: Chairman Palitto

Seconded by: Member McQuade

ROLL CALL

AYES: Member McQuade and Chairman Palitto

NAYS: None

ABSTAIN: None

Chairman Palitto continued the meeting with Old Business.

OLD BUSINESS:

- Minutes – Approve Regular Meeting Minutes from May 15, 2025

Member McQuade made a motion to approve the regular meeting minutes from May 15, 2025 and Chairman Palitto seconded the motion.

Motion by: Member McQuade

Seconded by: Chairman Palitto

ROLL CALL

AYES: Member McQuade and Chairman Palitto

NAYS: None

ABSTAIN: None

Prior to roll call, Lynn Jameson asked from the public if Warren Heights would be able to resubmit their hardship/complaint and asked the Board if they could have the rent increasing denial marked “with prejudice”. Attorney Bykov stated that this is not a court of law.

Mr. Citron from the public confirmed with Attorney Bykov that Warren Heights can resubmit at any time and Attorney Bykov advised that they can.

Ms. Jameson asked the Board what the limits are for Warren Heights to resubmit, specifically asking if they could resubmit monthly if they wanted. She continued by once again confirming that the Board will not dismiss the hardship/complaint “with prejudice” and Attorney Bykov stated that the Board rejected the application. Ms. Jameson stated that the Board is giving the landlord a chance to come back with their complaint and Chairman Palitto stated that the Board cannot stop them. Ms. Jameson argued that the Board can by dismissing the hardship/complaint “with prejudice” and Chairman Palitto stated that the Board is not a court of law but an administrative body with limited jurisdiction.

Ms. Jameson asked the Board if the landlord resubmits, will they serve all 155 units or will they be selective and Attorney Bykov stated that would be up to the landlord. She further asked the Board to keep in mind her previous statement.

- Minutes – Approve Executive Session Minutes from May 15, 2025

Member McQuade made a motion to approve the executive session minutes from May 15, 2025 and Chairman Palitto seconded the motion.

Motion by: Member McQuade

Seconded by: Chairman Palitto

ROLL CALL

AYES: Member McQuade and Chairman Palitto

NAYS: None

ABSTAIN: None

Chairman Palitto continued the meeting with New Business.

NEW BUSINESS:

Vacancy Decontrol Applications:

1. Warren Heights – Vacancy Decontrol Application – 371 Shannon Street
2. Warren Heights – Vacancy Decontrol Application – 392 Lenape Lane
3. Warren Heights – Vacancy Decontrol Application – 435 Lenape Lane
4. Warren Heights – Vacancy Decontrol Application – 182 Horseshoe Drive
5. Warren Heights – Vacancy Decontrol Application – 252 Windmill Court
6. Warren Heights – Vacancy Decontrol Application – 405 Lenape Lane
7. Warren Heights – Vacancy Decontrol Application – 437 Lenape Lane

Chairman Palitto confirmed with Attorney Baldwin that all Vacancy Decontrol Applications can be addressed collectively.

Chairman Palitto asked for a motion to approve Vacancy Decontrol Applications 1 through 7.

Member McQuade made a motion to approve the Vacancy Decontrol Applications 1 through 7 and Chairman Palitto seconded the motion.

Motion by: Member McQuade

Seconded by: Chairman Palitto

ROLL CALL

AYES: Member McQuade and Chairman Palitto

NAYS: None

ABSTAIN: None

Hardships/Complaints:

8. Warren Heights Apartments – 154 Horseshoe Court – Tenant
 - Hardship/Complaint dated May 15, 2025 – Rent increase hardship
9. Warren Heights Apartments – 325 Shannon Street – Tenant
 - Hardship/Complaint dated May 15 2024 – Rent increase hardship
10. Warren Heights Apartments – 426 Lenape Lane – Tenant
 - Hardship/Complaint dated May 15, 2025 – Rent increase hardship
11. Brakeley Gardens Tenant – Unit H-7
 - Hardship/Complaint dated May 22, 2025 – Water and sewer fees
12. Brakeley Gardens – Tenant – Unit E-4
 - Hardship/Complaint dated June 23, 2025 – Class Action clause in lease
13. Brakeley Gardens – Tenant – Unit F-7
 - Hardship/Complaint dated May 21, 2025 – Month-to-month request
 - Hardship/Complaint dated July 9, 2025 – Late rent fees
14. Brakeley Gardens – Tenant – Unit F-12
 - Hardship/Complaint dated July 9 2025 – Water and sewer fees

Attorney Bykov stated to Chairman Palitto that a number of the New Business hardship/complaints are related to the Warren Heights Apartments application that was before the Board earlier and suggested bypassing them and continuing to those addressing Brakeley Gardens.

Chairman Palitto called Brakeley Gardens tenant Unit H-7.

Elliott Godwin, Brakeley Gardens, Unit H-7 appeared. Mr. Godwin advised the Board that he submitted his hardship/complaint on May 22, 2025 citing illegally collected water and sewer fees. As you know from Chapter 173-7 of the township rent control ordinance, no landlord may collect new fees for services or charge fees for services that were previously offered without fees which has been the law of the township since 1982. He stated that he found out through speaking with members of the Brakeley Gardens Tenant Organization that existing tenants prior to the change in ownership were not being charged water and sewer fees and have never been charged those fees. He continued that it is only in the recent years following the change in ownership that these fees are being levied specifically on new leases and new tenants coming in. He stated that he believes since each of the buildings only have one water meter and there is no way to actually divide it up, it is essentially divided between all the new tenants only. He stated that he is only one person who is barely there in his unit and barely using any water but is being charged approximately \$60 a month. He stated that he attached his invoices to his hardship/complaint confirming the charges. Since his hardship/complaint submission, he has received two additional invoices for water and sewer. In addition, he stated that somewhere around the time of the change of ownership in 2021, there was a change to charge tenants for air condition units that were previously allowed. He stated that after the change in ownership there was a \$50 fee charged per bedroom to have them. Tenants are now being asked to remove them. He stated that he is not the foremost expert on habitability standards on how to make a bedroom livable but

given the heatwave we had the past few weeks, it makes it interesting. He states that there were times that he had to leave his bedroom to move to the living room for several nights because the bedroom was inhabitable due to the heat even with the air conditioner on. He stated that he is lucky that he is a young guy living by himself that can do that but some on fixed incomes such as the older people or those with small children it may be harder. He stated that the heatwave of highs of almost 100 degrees could have killed someone without an air conditioner that they don't even pay the electricity for because everyone is responsible for their own electric bill. He has been making the best efforts in conjunction with the Brakeley Gardens Tenant Organization to notify people that these fees are completely baseless and that they will help to submit a hardship complaint but there is only so much they can do. He stated that this is a gradual, incremental set of changes under new ownership and he does not have complete information on the terms from prior tenants because people move out or they die. He said that there is severe concern that they are going to use people's continued ignorance of the way things were to continue incrementing these new fees that are completely in violation of the rent control ordinance.

Attorney Bykov stated that he has been in touch with the attorney for Brakeley Gardens and has an email that he has not yet shared with the Board. Attorney Bradley admitted that the fees that the landlord has charged are in violation of the law; not only the ordinance, but there is also case law that prohibits imposition of such fees due to them being considered additional rent citing the Opex Realty case that additional rent is subject to rent control.

Attorney Bykov stated that if the fees are not paid, he will risk the eviction process. The Board can order the landlord to refund the fees that have been charged illegally. He further stated that he is unaware if any of the prior requests for fund reimbursements have been made. Mr. Godwin stated that he would certainly appreciate that because then if they do not comply, he has a very open and shut case to present.

Attorney Bykov stated that if there is non-compliance with the Board's decision, Municipal Court Complaints can be filed. He further stated that Mr. Godwin's hardship/complaint is dated May 22, 2025 and the past issue that was addressed in March 2025 was for November 2024.

Chairman Palitto asked if Mr. Godwin's complaint could be added and Attorney Bykov stated that the Board should make a separate motion. Attorney Bykov stated that he would share the email he received from Attorney Bradley with the Board so they are aware of the landlord's intent to address that matter. Attorney Bykov stated that he recommends that the Board also authorize the filing of Municipal Court Complaints should the landlord choose not to comply with the Board's directive. He further advised that the Board's motion would be to require the landlord to refund or credit any fees that have been wrongfully charged in violation of Chapter 173 and should the landlord fail to do so before the next meeting, the Board authorizes the filing of Municipal Court Complaints.

Chairman Palitto confirmed that the motion would be to require the landlord to refund wrongfully charged fees and non-compliance would result in the filing of Municipal Court Complaints.

Chairman Palitto stated that he will make a motion and Member McQuade stated that he would second the motion. Attorney Bykov interrupted stating that because this is not actually a hearing, the Board is powerless at this time. Secretary Segeda did not roll call since the motion was not valid.

Attorney Bykov stated that the Board will schedule a hearing on the matter with the landlord for Brakeley Gardens like the Board did back in November 2024. A hearing can be made allowing the landlord to present their case and the tenants to present their case. The Board can then make a decision having heard from both parties.

Secretary Segeda stated that the Board discussed this at the last meeting and the Board authorized the attorney to file suit on the 13 previously heard complaints which resulted in Resolutions.

Attorney Bykov asked Secretary Segeda to strike the motion from the record as the motion was not properly made.

Attorney Bykov stated to Mr. Godwin that the Board has his hardship application and the Board will notify the landlord. He further stated that if a hearing is needed, the Board will invite the landlord to the next Board meeting, and assuming a resolution is reached, the Board may then act on the situation. Mr. Godwin asked Attorney Bykov if he needed any additional billing statements and those statements were given to Secretary Segeda.

Chairman Palitto called Brakeley Gardens tenant Unit E-4 with no response.

Chairman Palitto called Brakeley Gardens tenant Unit F-7 and Mr. Derrick Starks appeared.

Secretary Segeda brought to the Board's attention that Mr. Stark is the subject of numbers 13 and 16 on the Board's agenda.

Mr. Starks stated he and his wife have been at Brakeley Gardens for three years. He advised that Denise from the Brakeley Gardens office called him and wanted to know if he and his wife would come down to sign a lease stating that they would pay their rent on a month-to-month basis. He never acknowledged the call or went down to the office. He stated that he has continued to pay his rent like he has since he signed his initial lease. As of June last year, he has not received an annual lease. He stated that they continue to send him a late charge invoice for \$1,700. He advised that he informed Brakeley Gardens that the situation was in his favor and provided her with a copy of his Resolution. He stated that he never heard from them until a couple weeks ago when he saw a woman driving a golf cart put a notice in his mailbox and it was the late charge invoice for \$1,700.

Member McQuade asked if the \$1,700 was a culmination of the late fees and Mr. Starks stated that it is.

Mr. Starks informed the Board that the invoice also stated that he still needed to pay rent for June and July but that he has the receipts that he did. Every third of the month he gets his rent together and mails it that same day.

Attorney Bykov asked if the rent was late or not received at all and Mr. Starks stated that he thinks they just haven't received it yet. He stated all the mail goes from Phillipsburg post office to Kearny, New Jersey where it gets sorted and then it finally gets postmarked. Brakeley Gardens will go by what the postmark says when they log the rent as received. He states that he always pays the rent on the third and the grace period is the fifth. He stated that he pays by money order and has all receipts.

He further stated that in addition, he has rental insurance through Brakeley Garden which he is being changed for but has no information whatsoever about the insurance. He stated that his rent was \$1,208 and it is now \$1,244 with the 3% increase. He stated that he pays the rental insurance separate from the rent payment.

Attorney Bykov confirmed with Mr. Starks that he was one of the 13 tenants that were part of the hearing from November 2024. Attorney Bykov asked if there were any discussions between Mr. Starks and Attorney Bradley and Mr. Starks stated that there were no discussions.

Attorney Bykov again suggested that the Board schedule a hearing in this matter to allow the landlord to present their case and make a decision accordingly.

Chairman Palitto called Brakeley Gardens tenant Unit F-12 with no response.

Correspondence:

- 15. Warren Heights Apartments – 238 Windmill Court – Tenant
 - Email dated July 2, 2025 – Rent Increase hardship
- 16. Brakeley Gardens – Tenant – Unit F-7
 - Email dated June 17, 2025 from Brakeley Gardens to tenant – resident insurance

Chairman Palitto called #15 on the agenda. Attorney Bykov acknowledged that it was an email he received on July 2, 2025 from Robyn Leaser regarding the 15% increase.

Attorney Bykov advised that #16 on the agenda was Mr. Starks.

PUBLIC COMMENT – 3 Minutes

Chairman Palitto continued the meeting with Public Comment. Chairman Palitto stated that each person is allowed three minutes and can only come to the podium once with no time deferred to another person. He also asked for everyone to be respectful to the person speaking at the podium.

John Betz, Brakeley Gardens, Apartment Y-14 appeared. He advised that one item brought to his attention is that Harbor Group has not been submitting Vacancy Decontrol Applications when residents move out and new tenants move in. He also stated that although the water and sewage issue was discussed he wants the Board to know that the new leases tenants must sign have the box checked that they would be paying for trash and gas. He stated that it was brought to his attention last week. Mr. Betz was advised by Denise Buchanan from the Brakeley Gardens Tenants Organization that you cannot have an air conditioning unit in the window but you can have a stand-alone air conditioning unit which has a tube and vent which goes out the window.

Mr. Betz continued stating that pursuant to the rent control ordinance, the landlord is supposed to give tenants their lease no later than 60 days before the renewal date of the new lease and the tenant has 30 days to return it to the landlord. He wanted the Board to know that the landlord has been stating to the tenants that they must return the new lease 60 days ahead of time which is not what the rent control ordinance says.

Mr. Betz stated that there is a New Jersey senior five-day grace period which is State Statute N.J.S.A 2A:42-6.1-6.3. He read the statute, "A person to whom rent is due and payable on the first of the month upon a lease or other agreement shall allow a period of five business days grace in which the rent due shall be paid. No delinquency or other late charge shall be made which includes the grace period of five business days. As used in this section, "business day" means any day other than a Saturday, Sunday or State or federal holiday." Mr. Betz stated that if the fifth is on a Saturday or a Sunday or any State or Federal holiday it should not be considered late. He further read, "Any person violating the provisions of this act shall be a disorderly person. The provisions of this act shall only be applicable to premises rented or leased by senior citizens receiving Social Security Old Age Pensions, Railroad Retirement Pensions or other governmental pensions in lieu of Social Security Old Age Pensions, and by recipients of Social Security Disability Benefits, Supplemental Security Income or benefits under Work First New Jersey."

Brian Alcrim, Brakeley Gardens, Apartment M-2 appeared. He stated that Brakeley Gardens wants to start charging for regular parking and they want the tenant to pay \$210 for a sign. He wanted to share that if you go to them and ask if you could buy your own stuff such as a pole, sign, etc., they will let you do that.

Chairman Palitto asked if it was a sign for reserved parking and Mr. Alcrim confirmed that it is. Chairman Palitto further asked if the signs were specific to each tenant and Mr. Alcrim stated that you would just put your own unit number and letter on it. Mr. Alcrim just wanted everyone to know that there is a way around the \$210 charge if you do it yourself. He also wanted the Board to know that the maintenance people are nice people but they are turning Brakeley Gardens into a used car lot in his section of Brakeley Gardens. There are cars sitting in the parking lot. One car has been there for two months and one for one month. Due to the tenants of the next building also parking in his section, he has to park two blocks away. He further stated that he was part of the original 13 tenants with Resolutions and he wanted the Board to know that Brakeley Gardens has not done anything nor has he received any correspondence from them.

Attorney Bykov asked Mr. Alcrim if he was ever subject to an eviction proceeding and he stated that he was. Mr. Alcrim confirmed that the attorney for the landlord was Attorney Bradley and the matter was at the court in Belvidere. Attorney Bykov asked if Mr. Alcrim could supply the Board with a copy of the eviction paperwork. Attorney Bykov stated that he recalls seeing the paperwork from Mr. Alcrim's attorney and the box that states the property is rent controlled was not checked. Attorney Bykov stated that he would like to confirm if that practice is employed by the landlord unilaterally. Mr. Alcrim stated that he would make a copy and give it to the Board secretary Patty.

Mr. Alcrim stated that it has been well over the allotted time for Brakeley Gardens to comply and asked what the next step would be. He asked if it will go to court and would the tenants involved have to show for the court proceeding. Attorney Bykov stated that he is not sure if testimony would be required. He confirmed the Board's power by Chapter 173 which allows them to file Municipal Court complaints against the landlord for failing to abide by the Board's directives. Attorney Bykov further stated that since the authorization to do so was already given to his office, he will begin preparing that.

Mr. Alcrim asked if the Board had authority to stop the allowed rent increase for failure to comply with the Board's previous directives. Chairman Palitto stated that the ordinance allows for a rollback but that is something the Board would need to discuss. Mr. Alcrim thanked the Board for everything they do.

Tina Allatines, Brakeley Gardens, Apartment Q-8 spoke from the public. She stated that they used to have painted handicapped parking spaces at Brakeley Gardens. She stated that there were at least two spots in front of every building. She stated that they painted the parking spots black to eliminate handicapped parking spots altogether. Ms. Allatines stated that in order to get a handicapped spot you have to pay \$250 for the post and the sign and for maintenance to come out and set it up. Is there anything that can be done pursuant to the Americans with Disabilities Act? She stated that she has a disability and does not understand why she has to pay for something that is common in most parking lots. She also stated that there are no cut-outs on any curb for anyone with a wheelchair, walker, etc. She understands that it is an older complex but she stated that she had bi-tibial fracture and was not allowed to put out a temporary ramp. Brakeley Gardens made her remove the 95-pound metal ramp every time she had to leave the house. She stated that her fiancé, who has a heart issue, had to move it every time in order for her to get in and out with her wheelchair. She stated that she knows the Board hears matters of rent leveling but since this issue involves extra fees she thought maybe there was something the Board could do. She asked if the Board could tell her of a place she can go within the county to ask for help.

Attorney Bykov stated that Chapter 173 prohibits the imposition of a fee for a service that was previously provided without a fee. As to the ADA, Attorney Bykov advised that she would need to confer with Warren County. He suggested she start with contacting the Warren County Clerk's Office. He further stated that the grandfather provision may come in as Brakeley Gardens was erected prior to the effective date of the Americans with Disabilities Act which may give the landlord the ability to bypass those requirements. He stated that he does not know when the buildings were built nor does he remember when the ADA requirements went into effect.

Ms. Allatines stated that you can reserve a parking spot for a \$50 a month fee but if you want the handicapped placard, it is \$250 for them to put it in. She stated, as was said before, she could go to Home Depot or Amazon and order a sign and buy decals and do it herself.

Discussion in the audience (inaudible).

Ms. Allatines fiancé spoke from the public to advised that he has lived at Brakeley Gardens for over 15 years and the handicapped parking spots were there back then. He stated that when the new owners repaved, they covered the handicapped spots. Attorney Bykov confirmed that the previous owner was Salem Management and Ms. Allatines agreed.

Ms. Allatines stated that she has lived at Brakeley Gardens for 18 years and there were always spots. She stated that she knows there are seniors in her building and other handicapped people. She said that she will heal but there are a lot of other seniors that don't have the money to pay for a handicapped parking space. Ms. Allatines thanked the Board.

Diane Cavanaugh, 376 Shannon Street, Warren Heights appeared. She stated that she is a senior citizen at 67 years old who lives on a fixed income and is solely responsible for her 31-year-old autistic son. She stated that she is very happy that the Board rejected the Warren Heights Apartments rent increase. She wanted the Board to know that when her lease came up for renewal in November, there was a two-page addendum added that she was forced to sign in order to stay there. It stated that she was responsible for the plumbing in her unit. She stated that she lives in a section that has eight other people that live there and the building has other additional people and it made her feel very uncomfortable. How is it that she would be responsible for plumbing in someone else's building? She just wanted the Board to know what is happening. It seemed very strange to her and she felt backed into a corner because if she did not sign the addendum, she could not renew her lease. She has issues with her son and all his problems and having to move and change made her feel like she was forced into signing the lease with the addendum. She stated that she is there four and a half years and that was the very first time she ever had to sign something saying she would be responsible for their plumbing. Ms. Cavanaugh thanked the Board.

Chairman Palitto asks the public if there are any other comments. Chairman Palitto seeing and hearing none asked for a motion to adjourn.

ADJOURNMENT

Motion by: Member McQuade

Seconded by: Chairman Palitto

ALL IN FAVOR: Ayes

NAYS: None

Respectfully submitted by:

Patricia A. Segeda
Rent Leveling Board Secretary