



For Office Use Only No.:

BAYONNE RENT CONTROL BOARD

MAJOR CAPITAL IMPROVEMENT SURCHARGE

Questions? Contact: Jenifer Cotter at the Bayonne Rent Control Office at 201-858-6065

INSTRUCTIONS FOR APPLICATION

According to Section § 16-5.2 of Bayonne’s Rent Control Ordinance, a Landlord may apply for a surcharge based on the cost of conducting Major Capital Improvements (“MCIs”) within one year from the date of the completion of the Major Capital Improvement work.

Major Capital Improvements are defined as “any renovation, preservation, replacement, or improvement work which substantially adds to the value, or life, of the entire Dwelling or Covered Rental Units, but does not include ordinary or routine repairs, or maintenance. The work must benefit more than one Covered Rental Unit, not just a single Covered Rental Unit. Examples of Major Capital Improvements shall include, but are not limited to, things in the nature of installing or replacing a roof, boilers, HVAC systems or units, plumbing, electrical wiring, security systems, community laundry facilities, community recreation rooms or areas, or pools.”

Each MCI has a “useful life,” which means the average time the improvement lasts. If an MCI Surcharge is approved by the Board, the Surcharge will be permitted to be charged over the duration of the MCI’s useful life, and then it will expire and the Surcharges may then no longer be charged to the tenant(s). At the expiration of the MCI Surcharge, a Landlord may do additional MCIs and reapply for another surcharge for the new MCI work.

Nothing prohibits a Landlord from conducting different MCIs and applying for MCI Surcharges for those improvements at the same time. However, the total amount of all Major Capital Improvement and Individual Rental Unit Improvement Surcharges permitted to be charged against a Rent-Controlled Unit at any given time are restricted to **no more than twenty (20) percent of the Rent-Controlled Unit’s monthly Base Rent**, and the Board will adjust the amount of Major Capital Improvement Surcharges it approves for any one MCI Application as necessary to total no more than twenty percent (20%).

In order to apply for an MCI Surcharge, a Landlord ***must*** supply the Rent Control Office with each of the following items: (1) the Application properly and completely filled in with all of the information requested in each section of the Application, (2) all supporting documentation identified in the Application that confirms or proves the responsive information provided in the Application is true and

accurate, and (3) payment of the filing fee for the Application in the amount of \$100.00 (checks are to be made payable to: **CITY OF BAYONNE**).

The applicant's failure to provide at the time the Application is submitted any of the information or documentation requested in any section of the Application for MCI Surcharge, or to pay the appropriate filing fee, may result in a processing delay or complete denial of the Application.

Once the Rent Control Office has reviewed the Landlord's Application for MCI Surcharge, and determined that the Application is complete and proper, the Rent Control Office will set a hearing date for the Application and notify the Landlord of the hearing date. The Rent Control Office will also provide the Landlord with: (1) an exact copy of the stamped complete Application for MCI Surcharge and (2) a Notice of Completed Application and Hearing for each tenant who will be affected by the Surcharge.

Within ten (10) days after receipt by the Landlord of both the stamped complete Application and the Notices, the Landlord ***must*** notify the tenants of the Application's complete and proper status by providing all affected tenants with exact copies of the stamped complete Application and Notice of Completed Application and Hearing Date by registered or certified mail return requested or by personal service with a sworn affidavit for service.

After the copy of the complete Application and Notice of Completed Application and Hearing Date is delivered by the Landlord to the tenants, the Landlord ***must*** submit to the Rent Control Office a completed Notice Log *no later than thirty (30) days prior to the hearing*.

Tenants have a right to file an opposition to the Application, and supporting documentation, no later than twenty (20) days prior to the hearing date. Upon request by the Landlord, the Rent Control Office will make the tenants' opposition available to the Landlord for inspection and copying.

Both the Landlord and the tenants ***must*** submit a list of all witnesses they plan to have testify at the hearing, if any, no later than fourteen (14) days prior to the hearing date.

At the hearing, both parties will have an opportunity to present their cases and be heard. The Rent Control Board will make a preliminary decision regarding the Application. No later than sixty (60) days after the completion of the hearing, the Board will make a final decision whether to approve or deny the Application by enacting a Resolution accordingly, and may also issue a written Opinion.

After the Board has passed the Resolution, the Rent Control Office will notify the Landlord of the Application's result by providing the Landlord with: (1) a copy of the Resolution, (2) the Application stamped either approved or denied, and (3) Notice of Approval or Denial of the Application for each affected tenant.

Within ten (10) days after receipt by the Landlord of copies of the Resolution, the Application stamped either approved or denied, and the Notice of Approval or Denial of the Application for each

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affected tenant, Landlord ***must*** notify the affected Rent-Controlled Tenants of the result of the Application by sending the tenants copies of the three items by registered or certified mail return receipt requested or by personal service with a sworn affidavit of service. Within fourteen (14) days after the landlord has finished providing notice to the affected tenants, the Landlord ***must*** submit a Notice Log to the Rent-Control Office. No surcharges will take effect until the Notice Log has been received by the Office.



Have you read the instructions fully? Yes No Initial: _____

If you have not, please read it in its entirety. If you fill out the Application any further, you are representing that you have read and understood the instructions set forth above completely.

APPLICATION FOR MAJOR CAPITAL IMPROVEMENT SURCHARGE

I. General Information

Landlord's Information

Apartment Complex Address: _____

of Total Units in Complex: _____ # of Rent-Controlled Units in Complex: _____

Name: _____

Mailing Address: _____

Phone Number: _____ Email: _____

Landlord's Representative's Information (Person Filing Out Application if someone other than Landlord)

Please note that even though a representative may fill out this Application on the Landlord's behalf, all official correspondence will occur between the Rent Control Office and the Landlord directly.

Name: _____

Phone Number: _____ Email: _____

II. Major Capital Improvements Information

Every Major Capital Improvement that Landlord is applying for should be listed separately as different projects in the subsections below. For example, if the Landlord replaces the floor of the lobby of the apartment building and also installs a new heating system for the building, those are two separate improvements and should be distinguished as Project 1 and Project 2. Separate identification of each improvement is necessary because each MCI has a different surcharge associated with the Rental Unit. Enough space has been provided in this section to identify four projects. If you are applying for less than four improvement projects, you only need to attach pages for the number of projects you are applying for, however, **do not forget to include the calculations section (Section III), certification page (Section IV), and all of the pages after the certification page.** If you'd like to include more than four projects in your Application, please feel free to add pages with the information for each additional project required by this Section II. Major Capital Improvements Information and Section III. MCI Surcharge Calculation, and attach all of the pages to your Application.

Full Description of Project 1:

Proof of Project 1:

The Landlord **must** attach, at the end of this Application, legible documentation evidencing each expense reported below. **Each document must be paginated and identify the project and expense to which it relates.** Acceptable forms of documentation include, but are not limited to, copies of bills marked paid by the person receiving payment, receipts for payment, copies of proof of electronic transfers, and bank or other statements reflecting the withdrawal of funds for payment of the expense. Only copies, not original documents, should be submitted to the Rent Control Board for review. If the Landlord fails to provide adequate supporting documentation relating to the expenses reported, the Rent Control Board will disregard the expense that is not properly documented when considering the Application.

Expenses of Project 1:

List all the expenses associated with this project and the cost of the expense in the space provided below. If more space is needed to itemize expenses, the Landlord may attach additional pages so long as the additional pages clearly identify the Application section(s) they are responsive to.

Expense #1: _____\$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #2: _____\$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

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Expense #3: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #4: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #5: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #6: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #7: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #8: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Total Cost of Project 1..... \$ _____

Full Description of Project 2:

Proof of Project 2:

The Landlord **must** attach, at the end of this Application, legible documentation evidencing each expense reported below. **Each document must be paginated and identify the project and expense to which it relates.** Acceptable forms of documentation include, but are not limited to, copies of bills marked paid by the person receiving payment, receipts for payment, copies of proof of electronic transfers, and bank or other statements reflecting the withdrawal of funds for payment of the expense. Only copies, not original documents, should be submitted to the Rent Control Board for review. If the Landlord fails to provide adequate supporting documentation relating to the expenses reported, the Rent Control Board will disregard the expense that is not properly documented when considering the Application.

Expenses of Project 2:

List all the expenses associated with this project and the cost of the expense in the space provided below. If more space is needed to itemize expenses, the Landlord may attach additional pages so long as the additional pages clearly identify the Application section(s) they are responsive to.

Expense #1: _____\$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #2: _____\$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

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Expense #3: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #4: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #5: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #6: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #7: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #8: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Total Cost of Project 2..... \$ _____

Full Description of Project 3:

Proof of Project 3:

The Landlord **must** attach, at the end of this Application, legible documentation evidencing each expense reported below. **Each document must be paginated and identify the project and expense to which it relates.** Acceptable forms of documentation include, but are not limited to, copies of bills marked paid by the person receiving payment, receipts for payment, copies of proof of electronic transfers, and bank or other statements reflecting the withdrawal of funds for payment of the expense. Only copies, not original documents, should be submitted to the Rent Control Board for review. If the Landlord fails to provide adequate supporting documentation relating to the expenses reported, the Rent Control Board will disregard the expense that is not properly documented when considering the Application.

Expenses of Project 3:

List all the expenses associated with this project and the cost of the expense in the space provided below. If more space is needed to itemize expenses, the Landlord may attach additional pages so long as the additional pages clearly identify the Application section(s) they are responsive to.

Expense #1: _____\$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #2: _____\$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

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Expense #3: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #4: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #5: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #6: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #7: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #8: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Total Cost of Project 3..... \$ _____

Full Description of Project 4:

Proof of Project 4:

The Landlord **must** attach, at the end of this Application, legible documentation evidencing each expense reported below. **Each document must be paginated and identify the project and expense to which it relates.** Acceptable forms of documentation include, but are not limited to, copies of bills marked paid by the person receiving payment, receipts for payment, copies of proof of electronic transfers, and bank or other statements reflecting the withdrawal of funds for payment of the expense. Only copies, not original documents, should be submitted to the Rent Control Board for review. If the Landlord fails to provide adequate supporting documentation relating to the expenses reported, the Rent Control Board will disregard the expense that is not properly documented when considering the Application.

Expenses of Project 4:

List all the expenses associated with this project and the cost of the expense in the space provided below. If more space is needed to itemize expenses, the Landlord may attach additional pages so long as the additional pages clearly identify the Application section(s) they are responsive to.

Expense #1: _____\$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #2: _____\$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #3: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #4: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #5: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #6: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #7: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Expense #8: _____ \$ _____
(Description) (Cost)

Corresponding Proof: _____
(Document Type) (Page Number)

Total Cost of Project 4..... \$ _____

III. MCI Surcharge Calculation

Please insert the appropriate amounts in the section below and perform the calculations as indicated. **Note:** Calculations submitted by the Landlord below are subject to review by the Rent Control Office and may be corrected for errors.

A. Project 1's Surcharge Calculation

1. Total Cost of the MCI..... \$ _____
2. Useful life of the MCI (in years)..... _____
3. The Total Cost of the MCI (line 1) divided by the Useful Life of the MCI (line 2)... \$ _____
4. Line 3 above divided by 12 months, which is the monthly surcharge amount allocated for all tenants, Rent-Controlled Tenants and non-Rent-Controlled tenants.....\$ _____
5. Line 4 above divided by the total number of rooms in the dwelling (_____ rooms), which is the maximum monthly surcharge allowed per room.....\$ _____

Bedrooms, living rooms, kitchens, and dining rooms are considered "rooms." Any other area in an apartment is not considered a "room."

6. Line 5 multiplied by the total rooms in the Dwelling's apartments:

1 room = \$ _____

2 rooms = \$ _____

3 rooms = \$ _____

4 rooms = \$ _____

5 rooms = \$ _____

6 rooms = \$ _____

7 rooms = \$ _____

B. Project 2's Surcharge Calculation

1. Total Cost of the MCI..... \$ _____
2. Useful life of the MCI (in years)..... _____
3. The Total Cost of the MCI (line 1) divided by the Useful Life of the MCI (line 2)... \$ _____
4. Line 3 above divided by 12 months, which is the monthly surcharge amount allocated for all tenants, Rent-Controlled Tenants and non-Rent-Controlled tenants.....\$ _____
5. Line 4 above divided by the total number of rooms in the dwelling (_____ rooms), which is the maximum monthly surcharge allowed per room.....\$ _____

Bedrooms, living rooms, kitchens, and dining rooms are considered "rooms." Any other area in an apartment is not considered a "room."

6. Line 5 multiplied by the total rooms in the Dwelling's apartments:

1 room = \$ _____

2 rooms = \$ _____

3 rooms = \$ _____

4 rooms = \$ _____

5 rooms = \$ _____

6 rooms = \$ _____

7 rooms = \$ _____

C. Project 3's Surcharge Calculation

1. Total Cost of the MCI..... \$ _____
2. Useful life of the MCI (in years)..... _____
3. The Total Cost of the MCI (line 1) divided by the Useful Life of the MCI (line 2)... \$ _____
4. Line 3 above divided by 12 months, which is the monthly surcharge amount allocated for all tenants, Rent-Controlled Tenants and non-Rent-Controlled tenants.....\$ _____
5. Line 4 above divided by the total number of rooms in the dwelling (_____ rooms), which is the maximum monthly surcharge allowed per room.....\$ _____

Bedrooms, living rooms, kitchens, and dining rooms are considered "rooms." Any other area in an apartment is not considered a "room."

6. Line 5 multiplied by the total rooms in the Dwelling's apartments:

1 room = \$ _____

2 rooms = \$ _____

3 rooms = \$ _____

4 rooms = \$ _____

5 rooms = \$ _____

6 rooms = \$ _____

7 rooms = \$ _____

D. Project 4's Surcharge Calculation

1. Total Cost of the MCI..... \$ _____
2. Useful life of the MCI (in years)..... _____
3. The Total Cost of the MCI (line 1) divided by the Useful Life of the MCI (line 2)... \$ _____
4. Line 3 above divided by 12 months, which is the monthly surcharge amount allocated for all tenants, Rent-Controlled Tenants and non-Rent-Controlled tenants.....\$ _____
5. Line 4 above divided by the total number of rooms in the dwelling (_____ rooms), which is the maximum monthly surcharge allowed per room.....\$ _____

Bedrooms, living rooms, kitchens, and dining rooms are considered "rooms." Any other area in an apartment is not considered a "room."

6. Line 5 multiplied by the total rooms in the Dwelling's apartments:

1 room = \$ _____

2 rooms = \$ _____

3 rooms = \$ _____

4 rooms = \$ _____

5 rooms = \$ _____

6 rooms = \$ _____

7 rooms = \$ _____

IV. Certification

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, that I am subject to punishment.

Landlord’s Name: _____

Landlord’s Signature: _____

Today’s Date: _____

***THIS IS THE END OF THE APPLICATION.
THE FOLLOWING PAGES ARE FOR OFFICE USE ONLY.***

BAYONNE RENT CONTROL OFFICE

Application Number..... _____

Landlord Submitted Application on..... _____

Office Determined Application is Complete and Proper on..... _____

→ OFFICIAL STAMP:

Office Notified Landlord of Complete and Proper Application on..... _____

Landlord Provided Notice to Tenants of Complete Application on or before:..... _____

Landlord Submitted Complete Notice Log on..... _____

Rent Control Board Made Preliminary Decision regarding Application on _____

FINAL DECISION MADE BY RENT CONTROL BOARD ON _____

The Rent Control Board hereby _____ this Application for MCI Surcharge
(No. _____) by passing Resolution # _____.
(Please see next page if your Application has been approved)

Comments:

→ OFFICIAL STAMP:

Landlord Provided Notice to Tenants of Final Decision on or before..... _____

Landlord Submitted Complete Notice Log on _____

***THIS APPLICATION WAS FORMALLY CLOSED ON: _____ ***

