



For Office Use Only:

CITY OF BAYONNE RENT CONTROL OFFICE

APPLICATION FOR NEW CAPITAL IMPROVEMENT

Address of Property: _____

Landlord Name: _____

Landlord Address: _____

Landlord Contact Number / Email: _____

Describe in full the capital improvement that was made:

(If you are applying for more than one capital improvement, please fill out one application for each surcharge)

The cost of the capital improvement is \$ _____ **.**

ATTACH: Legible copies of all bills, receipts, statements and canceled checks (front and back). The canceled check must be attached to the correct bill.

FILING FEE: The filing fee is \$10.00 per effected unit, minimum fee of \$50.00 per application. Checks made payable to The City of Bayonne.

CALCULATION:

1. Cost of capital improvement \$ _____.
2. Number of years of depreciation of capital improvement _____.
3. The cost of the capital improvement divided by the number of years of depreciation equals \$ _____.
4. Line three (3) divided by 12 months equals \$ _____, which is the monthly increase amount allocated for tenants.

5. Line four (4) divided by total number of rooms in the dwelling (_____ rooms) equals the factor of \$_____ per room.
6. Line five (5) multiplied by total rooms in tenant's apartments equals the factor which is the cost per month allocated to each tenant:

2 rooms = \$ _____
 3 rooms = \$ _____
 4 rooms = \$ _____
 5 rooms = \$ _____

If you have any questions filling out this application, please call Jenifer Cotter, Rent Regulation Officer, at (201) 858-6065 for assistance. Please send all forms and backup documentation to 630 Avenue C, Room 25, Bayonne, NJ 07002.

R-3. PROCEDURE FOR NEW CAPITAL IMPROVEMENT

R-3-1. In addition to the percentage of rent increase, the landlord may seek additional rent for capital improvements made by him in the dwelling or attributable to the dwelling.

R-3-2. When a landlord has made improvements, application will be submitted to the Rent Control Board along with the rent increase application at time of annual rent increase.

R-3-3. The landlord shall compute the average cost of this improvement per year of useful life by dividing the cost of the completed capital improvement by the number of years of useful life of the improvement. Said period shall be presumed to be five (5) years unless proof is submitted by either landlord or tenant that said period should be longer or shorter.

R-3-4. No increase shall be permitted for capital improvements completed more than 12 months prior to the date upon which notice to the Board of said improvements has been provided by the landlord unless good cause can be shown for the delay in applying for the increase.

R-3-5. The amount of monthly increase which the landlord may charge shall be prorated among all tenants benefiting from said improvements by dividing the total cost by number of years; then dividing by twelve months; and then by the number of rooms in the dwelling, (including the landlord's share if he lives in the building). Capital improvements are then charged to tenants based on the number of rooms in his/her unit.

R-3-6. No increase in capital improvement shall be granted if the amount per tenant is more than the 15% CAP of current rent as stated in the Ordinance.

R-3-7. The standard rent increase application shall be used and amounts will be inserted in Column #7 for the first year. Column #6 for each effective year thereafter.

R-3-8. Cost of capital improvements shall be proven by submission of:

- An invoice showing the description of the improvement and total cost.
- Date improvement was completed.
- Canceled checks (copies of front and back) or invoices must be attached (copies must be submitted—originals should be kept by the owner.)
- If more than one improvement is being applied for, then the landlord must either submit an individual invoice for each improvement or all improvements must be itemized on the invoice.

R-3-9. Calculations must be submitted by the landlord and included in the notice to the tenant as follows:

- Subtract the commercials, if any, from the improvement
- Ascertain the years of depreciation purposes; divide the cost of the improvement by it, giving the annual increase amount.
- Divide the annual increase amount by twelve (12) to obtain the monthly increase amount.
- Divide the monthly increase amount by the total number of rooms to obtain the factor per room.
- Multiply the factor per room by the number of rooms, per each unit, to ascertain the per tenant/per unit amount.

R-3-10. Capital improvement increase should not be added to the base rent and set forth separately on the application filed with the Board. All increases for capital improvements should end at the expiration of their useful life.

R-3-11. Form must be filled out and submitted to the Rent Control Office with application. A copy of this form may be sent to the tenants as a means of information with their rent increase notice.

R-3-12. The following items are presumed to be capital improvements: new appliances purchased as replacements or additions, roofs, siding, sidewalks, replacement of doors and windows, major replacements of heating, plumbing and electrical systems.

R-3-13. The following are not capital improvements: painting, general repairs, replacement of minor elements of heating, plumbing or electrical systems. It is presumed that any repair or replacement items under \$250.00 in cost are not a capital improvement.

R-3-14. The filing fee is \$10.00 per effected unit, minimum fee of \$50.00 per application. Checks made payable to The City of Bayonne.