

CITY OF ASBURY PARK  
ONE MUNICIPAL PLAZA  
ASBURY PARK, NEW JERSEY 07712

PHONE: (732) 775-2100  
WWW.CITYOFASBURY PARK.COM



**JOHN MOOR, MAYOR**  
**AMY QUINN, DEPUTY MAYOR**  
EILEEN CHAPMAN, COUNCILPERSON  
YVONNE CLAYTON, COUNCILPERSON  
JESSE KENDLE, COUNCILPERSON

DONNA M. VIEIRO, CITY MANAGER  
MELODY HARTSGROVE, RMC, CITY CLERK

## APPEAL FOR FAIR NET OPERATING INCOME

### Advisory and Instructions

A landlord is entitled to receive a fair return on their real estate rental property investment. After having received the increase provided in the Rent Leveling Ordinance, they may appeal to the Rent Leveling Board for increased rental. The Board may grant a rent increase to meet this requirement. The landlord must provide evidence according to the standards recognized at law and industry for determining a fair return. The Board will rely upon the recognized standard that a landlord should receive a net operating income comparable to multi-family investments after deducting reasonable and necessary operating expenses. Operating expenses shall not include mortgage principal or interest payments, depreciation or amortization. Any increase granted by the Board will take the place of the annual permitted rent increase and shall be equally prorated to all units within the structure thirty (30) days after the decision of the Rent Leveling Board, provided that no increase shall take effect with regard to any tenant who has a written lease until the expiration of the lease unless the lease provides otherwise.

Additionally, a landlord may seek additional surcharges for major capital improvements or services. To qualify for a major improvement surcharge, claimant must show a benefit to the tenant, in the form of improved lifestyle, convenience, ease and/or security. The landlord must notify each tenant of the total cost of the completed capital improvement or service, the number of years of useful life of the improvement as claimed by the landlord for purposes of depreciation for income tax purposes, the cost of the improvement, the total number of square feet to the dwelling or garden apartment complex, the total square feet occupied by the tenant and the capital improvement surcharge he is seeking from each tenant. The landlord seeking a capital improvement or service surcharge shall appeal for the surcharge to the Rent Leveling Board, who shall determine if the improvement is a major improvement and if so, may permit such increase to take place and may direct that the increase shall be collected in equal monthly payments spread over the useful life of the capital improvement. If the increase is granted, it shall not be considered rent and calculated in cost of living increases. In any event, no increase authorized by this section shall exceed 15% of the tenant's rent.

A landlord must complete a *Gross Income and Reasonable and Necessary Operating Expense Worksheet* as part of the application submission in order to receive a determination for fair net operating income. This worksheet can be found on the City of Asbury Park website at <https://www.cityofasburypark.com/448/Rent-Leveling>.

Fees:	Hardship Appeal	<u>    \$50    </u>
	Capital Improvement	<u>    \$50    </u>
	Rent Regulation Officer Determination:	<u>    \$20    </u>
	Total:	\$ <u>            </u>

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APPEAL FOR FAIR NET OPERATING INCOME

Application

Property Owner Name: \_\_\_\_\_ Property Address: \_\_\_\_\_

Block: \_\_\_\_ Lot: \_\_\_\_ Total # Units: \_\_\_\_\_ Date of Last Rental Increase: \_\_\_\_\_

Last Calendar Year Gross Income: \_\_\_\_\_ Requested % Increase: \_\_\_\_\_

GROSS INCOME (last calendar year)	
<i>Please refer to Asbury Park Ordinance 2021-5 Section 15-10, C. 2. for instructions on completing this section</i>	
Base Rent (all Units)	
Interest on Security Deposits	
Commissions	
Vending Machine	
Late Fees	
Pet Fees	
Parking Fees	
Pool Fees	
Key Charges	
Finder's Fees	
Income from Rebates	
Tax Surcharges	
Capital Improvement Surcharges	
Tax Appeal Credit	
Total	

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REASONABLE AND NECESSARY OPERATING EXPENSE

*Please refer to Asbury Park Ordinance 2021-40 Section 15-10, C. 3. for instructions on completing this section*

Property Taxes			
(Taxes held in Escrow)			
Repairs and Scheduled Maintenance			
Service Contracts (pro-rated over period covered)			
Service Contract Start Date (in last calendar year)			
Term of Service Contract (months)			
Total Value of Service Contract			
Eligible Expense			
Painting - Interior (pro-rated over 36 months)			
Total Calendar Year Expenditure			
Pro-Ration (months)			
Eligible Expense			
Painting - Exterior (pro-rated over 60 months)			
Total Calendar Year Expenditure			
Pro-Ration (months)			
Eligible Expense			
Purchase of Maintenance Equipment (pro-rated over useful life)			
Total Calendar Year Expenditure			
Pro-Ration over Useful Life (months)			
Eligible Expense			
Legal and Auditing Expenses			
Management Fees			
Tier 1 (First \$50,000)	5.00%		
Tier 2 (next \$25,000)	4.50%		
Tier 3 (next \$100,000)	4.00%		
Tier 4 (next \$100,000)	3.50%		
Tier 5 (amount over \$250,000)	3.00%		
Eligible Expense			
Other Salaries			
Advertising			
Utilities			
Insurance			

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REASONABLE AND NECESSARY OPERATING EXPENSE

*Please refer to Asbury Park Ordinance 2021-40 Section 15-10, C. 3. for instructions on completing this section*

Total Expenses			
Net Operating Income			
Net Capital Rate of Return			

CAPITAL IMPROVEMENT SURCHARGE SECTION

Total Expended/Anticipated Expenditure: \_\_\_\_\_ Expected Service Life (min. 5 years): \_\_\_\_\_

Capital Improvement Narrative Highlighting Tenant Benefits:

*Please provide supporting documentation of the proposed/completed expenditure (quotes, invoice, etc.)*