

OPEN LETTER: ASBURY PARK PROPERTY OWNERS COALITION REGARDING RENT CONTROL

ASBURY PARK, N.J., JANUARY 21, 2021 - Over the past several weeks, the homeowners, tenants and Stakeholders in Asbury Park have expressed their concerns and objections to the proposed Rent Control Ordinance which unless withdrawn by the sponsors will now be subject to a public vote. While some form of protection is needed for those members of our community who are in need and who are living here now, the proposed Rent Control Ordinance, as its currently written, is not the solution and is actually counterproductive to our community's goals and will negatively impact the City. It does not achieve the result of providing assistance to Asbury Park residents who need it, and its consequences will result in, among other things, the erosion of critical City tax revenues, the flight of much needed investment by property owners, investors and developers, the deterioration of the quality of the City's housing stock and a reduction in the supply of available housing. This open letter to the public seeks to clarify some of the challenges that lie ahead and what can and cannot be done about it.

First, as the promoters of the rent control ordinance well know, significantly more Asbury Park residents, community members and Stakeholders oppose Rent Control than those in favor of Rent Control. This was evident in the three public dialogues about the matter that have been held to date (An online town hall-style meeting held by the promoters of the ordinance on December 16th; a forum held by the Asbury Park Homeowners Association on December 19th; and the Council Meeting of December 22nd where the City Council voted to reject the rent control ordinance). At each of these meetings there was substantial discussion about multiple aspects of the Petitioner's ordinance that were either impracticable or inequitable – some to the

point of revealing promoters' ignorance over how the government process works, and some being offensive to the notion of due process under the law. Additionally, the promoters' ordinance does not offer or consider any data or studies which may support the level of economic assistance that is needed in Asbury Park. Questions such as "how much assistance is needed?" and "how many residents need assistance?" remain completely unstudied and unanswered, yet there is a willingness by the Petitioners to conclude that the answer is "it doesn't matter", along with their willingness to let the rest of the City and its Stakeholders be unreasonably and disproportionately burdened by the impact of their ordinance.

Second, to address a matter of vital concern to the City's current residents, the Asbury Park Property Owners Coalition (APPOC) drafted a proposed "Asbury Park Tenant Protection Act". This alternative, which hopefully will be considered by the City Council soon, protects tenants from excessive rent increases. Other Asbury Park Stakeholders have also suggested additional concepts that address the issue of rent stability for existing tenants, including adding to the stock of affordable housing and creating a taxpayer funded Special Improvement District Fund to provide direct economic assistance to those community members in need. This clearly shows a willingness by the City Stakeholders to creatively fashion certain consumer protections for those residents who are here now and who are in need. Wouldn't it be great if we could provide assistance to our Residents who are in need without the extreme, negative, and destructive impact that the current proposed ordinance will have on the remainder of the City and its Stakeholders?

Third, as a result of the Petitioners own actions, which included not seeking a broad engagement from the public or the City Council prior to collecting signatures for their Ordinance, community voices were never heard or even invited to participate, resulting in a flawed Ordinance now being crammed down the throats of the entire Asbury Park Community. Now the matter is runaway train headed towards a brick wall that is a lose-lose situation. Per New Jersey Law, without the Petitioners withdrawing their petition, no other rent control alternative can be considered in Asbury Park until there is an outcome by ballot for the Referendum where one side "wins" and one side "loses", and regardless of who wins or loses, the losses will be severe, unfortunate, and will significantly impact our community. A loss

at the ballots for the Petitioners means that not one person who needs the very help that they were seeking to get will get anything at all. A loss for the Asbury Park Stakeholders means grave economic and community fallout, skyrocketing property taxes for homeowners, and severe negative consequences for businesses, visitors, and community members as a whole. Even if there was an interest from the Petitioners to adjust, modify or alter their proposed Ordinance to gain council support or enthusiasm in the public, the statutory timeframe to do so has long since passed. The only thing the Petitioners can do is to agree to withdraw their proposed ordinance and participate in real and meaningful discussions with the entire community to come up with a workable and alternate proposed ordinance which the City Council, and the rest of the City, could then support.

The Petitioners have made this uncomfortable bed, and unfortunately if their Referendum passes at the ballots, the entire Community will have to lie in it for three years after it passes **with no ability for the City Council to even amend it to correct its inexcusable flaws**. The Petitioners stated in each of three public dialogs, as well as in other communications, that they are “open to discussing and reviewing alternatives”, however they have failed or refused to be able to come together and meet with the Stakeholders at all, even one time as a group with their counsel, with the purpose of coming to a workable alternative. We are interpreting their call for alternatives as a recognition of the deep flaws in their current Proposed Ordinance, but short of them withdrawing it and working through the issues with the entire community, there is nothing anyone can do. We want to get those residents who are here now and who are in need of help the assistance that they need. We are hoping to achieve this in a way which does not decimate the rest of the City and the kill progress that the City has made over the past decade.

We are calling on the Petitioners to withdraw their petition and proposed ordinance and come together as a group with all of the City’s Stakeholders to discuss alternatives such as the Tenant Protection Act and other suggestions which have been proposed so that the City can have a win-win. If they do not, this goes to an election and it is a major lose-lose. We hope that someone will come along and save the City from the Petitioners and save the Petitioners from themselves.