

PITTSGROVE TOWNSHIP RENT CONTROL BOARD

RESOLUTION NO. 02 - 2020

APPLICANT: Holly Tree Acres MHC, LLC

PROPERTY: Holly Tree Acres Manufactured Housing Community

HEARING DATE: June 25, 2020 (via Zoom platform due to COVID-19)

FINDINGS OF FACT:

1. Applicant was represented by Matthew J. Krantz, Esq., of The Law Office of George J. Tyler, P.C., who appeared with witnesses Sara Strenk, who is the Regional Director for the Applicant, Leroy Pierce, maintenance person for the Applicant, Tom Sholders, of Environmental & Technical Services, LLC, and Rikki Drykerman, Esq., General Counsel.

2. The Board accepts as factual the documents submitted by and on behalf of Applicant:

A. Application for Rent Modification, dated April 24, 2020, including:

- i. List of affected tenants with addresses and lot numbers;
- ii. Notice to Quit and Notice of Increased Rent dated April 24th;
- iii. Certificate of Service of Notice to Quit dated April 24th, by Rikki Drykerman, Esq.
- iv. Letter to all affected Tenants dated April 24th by Rikki Drykerman, Esq., 5 pages.
- v. Notice of Application for Rent Modification with 25 attachments including ledgers and invoices in support of the request for a major capital improvement surcharge.

B. June 25, 2020 email correspondence from Counsel with the following additional and amended documents, due to a capital project that was paid for but not completed:

- i. Amended attachment 6 (Group A)
- ii. Amended attachment 7 (Group B)

- iii. Amended attachment 8 (Group C)
- iv. Amended attachment 9 (Group D)
- v. Amended attachment 25
- vi. Amended attachment 26
- vii. Certifications of Rikki Drykerman and Becca Hopkins

3. Applicant seeks an annual (CPI) rent increase, real estate tax increase, supplied utilities increase (including garbage collection decrease), and a major capital improvement increase.

4. Pursuant to Pittsgrove Township Ordinance §75-7(B), the application was transmitted to Michael J. Welding, CPA, of Bowman & Company, LLP to determine the accuracy and propriety of the depreciation schedules, interest payments, and methods of calculation as submitted in support of the petition.

5. Mr. Welding issued a Report dated June 24, 2020 in which he indicated that there were no exceptions found after a review of the application materials.

6. Ms. Strenk was sworn and gave testimony consistent with the Application concerning the Applicant's request for an annual (CPI) rent increase, real estate tax increase, supplied utilities increase and major capital improvement surcharge.

7. Mr. Sholders, of Environmental & Technical Services, LLC, was sworn and gave testimony concerning the necessity and installation of the septic replacements and water supply system improvements.

8. Mr. Pierce (a park resident and maintenance man for Applicant), was sworn and gave testimony concerning the necessity and installation of electrical and water line improvements.

9. Ms. Drykerman also gave testimony in support of the application.

10. The meeting was opened to the public and the Board received testimony from park residents Ronald Caldwell and Beverly Pierce.

11. There being no further members of the public who wished to speak regarding the Application, the public portion was closed.

12. Although the Applicant was seeking approval of the proposed increases effective July 1, 2020 (in order to preserve Applicant's right to seek future increases in a timely manner), representatives of the Applicant indicated that due to the COVID-19 pandemic and its associated economic impacts, the Applicant would not immediately be implementing any increases approved by the Board.

After carefully considering the evidence, **NOW, THEREFORE, BE IT RESOLVED**, by the Pittsgrove Township Rent Control Board, pursuant to Chapter 75 of the Pittsgrove Township Code, that:

- A. Applicant's request for a CPI increase of 2.6% for the Group A (\$9.45), Group B (\$12.10), Group C (\$11.88) and Group D (\$15.08) is hereby approved.
- B. Applicant's request for a Real Estate Tax increase pass-through, per Ordinance §75-11, of \$1,672.62, divided by 112 units (\$14.93), divided by 12 months (\$1.24) is hereby approved.
- C. Applicant's request for a Supplied Utilities increase pass through of \$15,309.62 for septic and water (while allowing a decrease for garbage collection), divided by 112 units (\$136.69), divided by 12 months (\$11.39) is hereby approved.
- D. As reviewed by Michael J. Welding, CPA, Applicant is entitled to a Major Capital Improvements surcharge, under Pittsgrove Township Ordinance §75-14, totaling \$70,283.35 with a useful life of twenty (20) years. Apportioned across the 112 units, and divided by twelve (12) months, the allowed surcharge is \$2.61 per month, per pad site.
- E. Accordingly, the following rents are hereby established as of July 1, 2020:

Group A:

Base Rent	\$363.46
Base Rent Increase (CPI)	\$9.45
New Base Rent	\$372.91
Real Estate Tax Increase	\$1.24
Supplied Utilities Increase	\$11.39
Major Capital Improvements Surcharge	\$2.61
Prior Year's Gross Rent	\$454.62
New Gross Rent	\$476.24

Group B:

Base Rent	\$465.49
Base Rent Increase (CPI)	\$12.10
New Base Rent	\$477.59
Real Estate Tax Increase	\$1.24
Supplied Utilities Increase	\$11.39
Major Capital Improvements Surcharge	\$2.61
Prior Year's Gross Rent	\$521.77
New Gross Rent	\$549.11

Group C:

Base Rent	\$456.81
Base Rent Increase (CPI)	\$11.88
New Base Rent	\$468.69
Real Estate Tax Increase	\$1.24
Supplied Utilities Increase	\$11.39
Major Capital Improvements Surcharge	\$2.61
Prior Year's Gross Rent	\$495.34
New Gross Rent	\$522.46

Group D:

Base Rent	\$580.00
Base Rent Increase (CPI)	\$15.08
New Base Rent	\$595.08
Real Estate Tax Increase	\$1.24
Supplied Utilities Increase	\$11.39
Major Capital Improvements Surcharge	\$2.61
Prior Year's Gross Rent	\$580.00
New Gross Rent	\$610.32

BE IT FURTHER RESOLVED that a Certified copy of this Resolution be furnished to Applicants and Notice of this action be advertised as required by Law.

The undersigned, Chairman of the Pittsgrove Township Rent Control Board, hereby certifies that the above is a true copy of a Resolution adopted by said Board on July 23, 2020, to memorialize action taken on June 25, 2020.

PITTSGROVE TOWNSHIP RENT CONTROL BOARD

By: _____
JOSEPH KEENAN, Chairman

ATTEST:

KATY BOFINGER, Secretary

PITTSGROVE TOWNSHIP RENT CONTROL BOARD

RESOLUTION NO. 03 - 2020

APPLICANT: Picnic Grove MHC, LLC

PROPERTY: Picnic Grove Mobile Home Park

HEARING DATE: June 25, 2020 (via Zoom platform due to COVID-19)

FINDINGS OF FACT:

1. Applicant was represented by Christopher J. Hanlon, Esq., of Freehold, who appeared with witness Bill Widmer, Regional Manager for Lakeshore Management.

2. The Board accepts as factual the documents submitted by and on behalf of Applicant:

A. Application for Rent Modification, dated March 20, 2020, including:

- i. Rent Roll
- ii. Calculation of Annual Rent Increase (Groups A – I)
- iii. Notice to Quit and Notice of Rent Increase
- iv. Notice of Application for Rental Increase
- v. Increase calculations for Real Estate Taxes and Capital Improvements
- vi. Current Year's Base Rental Increase calculations
- vii. S&K Consult Services Invoice dated December 19, 2018 (\$17,500.00)
- viii. Waiver and Release of Lien dated December 19, 2018
- ix. Proof of payment
- x. S&K Consult Services Estimate dated June 25, 2019 (\$2,000.00)

B. Certification of Mailing and Posting dated June 24, 2020

C. Picnic Grove Rent Roll – October 2019

3. Mr. Widmer gave testimony consistent with the Application materials in support of the requested increases for CPI, property taxes and capital improvements.

4. Pursuant to Pittsgrove Township Ordinance §75-7(B), the application was transmitted to Michael J. Welding, CPA, of Bowman & Company, LLP to determine the accuracy and propriety of the depreciation schedules, interest payments, and methods of calculation as submitted in support of the petition.

5. Mr. Welding issued a Report dated June 24, 2020 in which he indicated that there were no exceptions found after a review of the application materials.

6. Although Applicant is unsure when any approved increase will take effect due to COVID-19, an effective date of June 1, 2020 was requested in order to preserve Applicant's right to seek future increases in a timely manner.

7. The meeting was opened to the public, however there were no members of the public present and the public portion was therefore closed.

8. After carefully considering the evidence, the Pittsgrove Township Rent Control Board Resolves as follows:

NOW, THEREFORE, BE IT RESOLVED, by the Pittsgrove Township Rent Control Board, pursuant to Chapter 75 of the Pittsgrove Township Code, that:

- (A) Applicant's request for a CPI increase of 2.6% for Groups A (\$8.60), B (\$9.18), C (\$12.57), D (\$11.00), E (\$11.65), F (\$11.85), G (\$11.94), H (\$ 11.48) and I (\$11.74) is hereby approved.
- (B) Applicant's request for a Real Estate Tax increase pass-through of \$3,920.18, divided by 100 sites (\$39.20), divided by 12 months (\$3.27) is hereby approved.
- (C) Applicant is entitled to a Major Capital Improvements surcharge, under Pittsgrove Township Ordinance §75-14, totaling \$19,500.00 with a useful life of twenty (20) years. Apportioned across the 100 units, and divided by twelve (12) months, the allowed surcharge is \$0.81 per month, per site.
- (D) Accordingly, the following rents are hereby established as of June 1, 2020:

Group A:

Base Rent	\$330.71
Base Rent Increase (CPI)	\$8.60
New Base Rent	\$339.31
Real Estate Tax Increase	\$3.27
Major Capital Improvement Surcharge	\$0.81
Prior Year's Gross Rent	\$388.11
New Gross Rent	\$400.79

Group B:

Base Rent	\$350.68
Base Rent Increase (CPI)	\$9.18
New Base Rent	\$359.86
Real Estate Tax Increase	\$3.27
Major Capital Improvement Surcharge	\$0.81
Prior Year's Gross Rent	\$408.10
New Gross Rent	\$421.36

Group C:

Base Rent	\$483.64
Base Rent Increase (CPI)	\$12.57
New Base Rent	\$496.21
Real Estate Tax Increase	\$3.27
Major Capital Improvement Surcharge	\$0.81
Prior Year's Gross Rent	\$548.00
New Gross Rent	\$564.65

Group D:

Base Rent	\$422.94
Base Rent Increase (CPI)	\$11.00
New Base Rent	\$433.94
Real Estate Tax Increase	\$3.27
Major Capital Improvement Surcharge	\$0.81
Prior Year's Gross Rent	\$480.34
New Gross Rent	\$495.42

Group E:

Base Rent	\$447.92
Base Rent Increase (CPI)	\$11.65
New Base Rent	\$459.57
Real Estate Tax Increase	\$3.27
Major Capital Improvement Surcharge	\$0.81
Prior Year's Gross Rent	\$505.34
New Gross Rent	\$521.07

Group F:

Base Rent	\$455.57
Base Rent Increase (CPI)	\$11.85
New Base Rent	\$467.42
Real Estate Tax Increase	\$3.27
Major Capital Improvement Surcharge	\$0.81
Prior Year's Gross Rent	\$519.83
New Gross Rent	\$535.76

Group G:

Base Rent	\$459.23
Base Rent Increase (CPI)	\$11.94
New Base Rent	\$471.17
Real Estate Tax Increase	\$3.27
Major Capital Improvement Surcharge	\$0.81
Prior Year's Gross Rent	\$523.49
New Gross Rent	\$539.51

Group H:

Base Rent	\$441.57
Base Rent Increase (CPI)	\$11.48
New Base Rent	\$453.05
Real Estate Tax Increase	\$3.27
Major Capital Improvement Surcharge	\$0.81
Prior Year's Gross Rent	\$505.83
New Gross Rent	\$521.39

Group I:

Base Rent	\$451.55
Base Rent Increase (CPI)	\$11.74
New Base Rent	\$463.29
Real Estate Tax Increase	\$3.27
Major Capital Improvement Surcharge	\$0.81
Prior Year's Gross Rent	\$509.58
New Gross Rent	\$525.40

BE IT FURTHER RESOLVED that a Certified copy of this Resolution be furnished to Applicants and Notice of this action be advertised as required by Law.

The undersigned, Chairman of the Pittsgrove Township Rent Control Board, hereby certifies that the above is a true copy of a Resolution adopted by said Board on July 23, 2020, to memorialize action taken on June 25, 2020.

PITTSGROVE TOWNSHIP RENT CONTROL BOARD

ATTEST:

By: _____
JOSEPH KEENAN, Chairman

KATY BOFINGER, Secretary