



April 16, 2018

City Council of Jersey City
280 Grove Street
Room 202
Jersey City, New Jersey 07302

Dear Council Members:

RE: Building Demolition Proposal

This office has reviewed the proposed amendment to the Jersey City Law Chapter 105 Building Demolition and has grave concerns. This proposal will only halt the rejuvenation of Jersey City for all residential properties and create an undue burden on residential property owners.

Before the Council votes on the ordinance, they should have a cost analysis performed that will illustrate in detail the onerous and costly process property owners will need to undertake in order to obtain a permit to demolish or rehabilitate their properties. This analysis will confirm our concern that this proposal will be so prohibitive that most if not all rejuvenation of four or less residential properties will halt as will many apartment buildings. This analysis needs to also address the amount of authority the city will provide the building inspector. When addressing the building inspector's authority, the Council should understand thoroughly how one person's opinion in Jersey City will supersede every resident's opinion, and an entire neighborhood. This analysis must explain the authority this inspector will have over a property owner who files for a demolition of their property and is denied. The proposal allows an inspector to order the owner to rehabilitate the property. The Council should review the financial burden the inspector could attach to the property owner if the owner decides not to undertake upgrading the property.

The Board of REALTORS wants to remind the Council Members of the decline of cities which began in the 1950's and continued for three decades can always return. As bad as gentrification is, DECAY is much worse. It is obvious that this proposal is another attempt to derail gentrification, but does nothing to solve any problems caused by gentrification. There is no doubt that gentrification can be difficult for longtime residents, and over the last 10 years Jersey City has enacted no policies of substance that is successful to properly address the concerns of their longtime residents. At the same time, the city enjoyed an enormous amount of new real estate taxes because of gentrification and very little of these new revenues was used to solve the problem that gentrification caused for longtime residents, most of which are tenants.

We want to remind the Council that they also have a responsibility to the long time property owners of one thru four family buildings. Many are in their golden years, or almost there. The home where they raised their children, supported their community is their largest investment that will be needed to serve them in their retirement. This proposal will greatly reduce the value of their property as time goes on and therefore, their savings.

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It should not be news to anyone on the Council that when one neighbor improves their property, others on that block will have an incentive to follow with more improvements. It's called "Pride of Our Neighborhood." When voting on this proposal, think about what your neighborhood would become if no one takes action to improve the appearance of their property. This proposal will ensure that run down properties will stay run down longer and will cause a lack of incentive for others to improve their property.

If some on the Council, after reading our remarks, still believe this proposal is needed and it is the right thing to do, they should reconsider at this time. News reports of New York City's poor 1st quarter real estate sales is a trend that began last year. History tells us what we on the other side of the Hudson can expect in the coming months if those sales numbers do not improve. To add to those poor numbers, there was and continues to be terrible nationwide publicity about Jersey City' clumsy REVAL announcements of new assessments. Added to this issue is the foolish and **expensive** cancellation of the REVAL four years ago. We have reviewed the average sales for Jersey City and now realize the negative impact it had by canceling the first reval for downtown residents or residents in some of the more popular neighborhoods. Directly following the canceled reval, average sales increased for two years in a row by more than 20% in downtown while in the rest of the city by less than 7%. This unusual average sale price increase can be directly attributed to the outrageously large tax increases received by many Jersey City property owners because of the cancelled Reval. Since the unusual increase in the average price occurred when the Jersey City administration began running their promotion of the advantages to work and live in Jersey City one can only conclude this help caused some of the large tax increases, along with increase of the gentrification Jersey City has experienced recently.

It is our understanding that the Council is considering changing many parts of the ordinance before they have a final vote. One of those changes will have the new law only address properties built before 1919. Is the Council aware this will include more than 9,000 properties or many more thousands of residents? Because of the ENORMITY of this proposal **we believe the city should directly advise every property owner this proposal will effect.** The city should explain before this proposal is approved what their responsibilities will be and most importantly what they will be required to tell a prospective buyer before they sign an agreement to sell their property.

The Liberty Board of REALTORS would ask the Council not to rush this proposal through until their constituents fully understand the pro and cons.

Sincerely,

Joseph W. Hottendorf, Executive Vice President

Cc: Robert Byrne, City Clerk