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Department of Economic & Housing Development

920 Broad Street, Room 218  
Newark, New Jersey 07102  
973-733-6575

Baye Adofo-Wilson  
Director

## MEMORANDUM

TO: Maria Hernandez, Rent Control Officer

FROM: Baye Adofo-Wilson, Director  
Department of Economic and Housing Development

DATE: August 28, 2014

### Maximum Rent Increase Policy and Directive

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Ms. Hernandez,

On May 20, 2014, the City of Newark Municipal Council (the "Municipal Council") adopted Ordinance 6PSF-D amending Title 19, Chapter 2, Rent Control Regulations, Rent Control Board to provide, among other things, that:

...no landlord may request or receive an increase greater than the Consumer Price Index (CPI) for the previous twelve (12) months for the New Jersey area, as established by the Federal Bureau of Labor Statistics'. In no case shall the allowable rent increase exceed 4%...

On August 6, 2014, the Municipal Council issued a clarification that the:

Consumer Price Index (CPI) shall mean the Consumer Price Index for All Urban Consumers (CPI-U), as published by the United States Department of Labor's Bureau of Labor Statistics for the New York – Northern New Jersey – Long Island, NY-NJ area.

Accordingly, effective June 20, 2014 and until instructed otherwise, with respect to requests for rent increases under City of Newark Ordinance 19:2-3.1, PLEASE BE DIRECTED AS FOLLOWS:

1. Locate the Consumer Price Index for All Urban Consumers (CPI-U), as published by the United States Department of Labor's Bureau of Labor Statistics for the New York – Northern New Jersey – Long Island, NY-NJ area chart entitled "Annual Percentage Increase."

2. To determine the maximum allowable rent increase for a particular month, the Ordinance requires you to determine the “Consumer Price Index (CPI) for the previous twelve (12) months....” Accordingly, please determine such monthly figure by calculating the percentage increase from the first month to the last of month of the twelve (12) month period commencing 15 months prior to and ending three months prior to the month the rent increase is scheduled to go into effect.
3. Compare the figure for the twelve month period against 4%. Whichever is less shall represent and be referred to as the maximum allowable rent increase for the respective month.
4. No tenant shall be made to suffer or be caused to pay more than one rent increase in any twelve-month period.

Please be guided accordingly. Thank you.