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Attorneys for Plaintiffs

CHILTON TOWERS, LLC; LINDEN
ARMS, LLC; ELRON GARDENS NJ, LP;
HAYES HOUSE, LLC; RITA GARDENS
NJ, LP; STILES ARMS NJ, LP; STILES
MANOR GARDENS NJ, LP; TURTLE
VILLAGE GARDENS NJ, LP; WATSON
GARDENS NJ, LP; NORTH SALEM
TERRACE, LLC; ASSOCIATES 64 LLC;
LOPADO REALTY ASSOCIATES, LLC;
RUTGERS COURT ASSOCIATES, LLC,

Plaintiffs,

vs.

YOLANDA M. ROBERTS, IN HER
CAPACITY AS MUNICIPAL CLERK, THE
CITY OF ELIZABETH, JORDY
HERNANDEZ, RICKY CASTANEDA,
SERGIO ABREU, MARIEANNEZA
STEINIGER, AND ANTHONY
STEINIGER,

Defendants.

SUPERIOR COURT OF NEW JERSEY
LAW DIVISION: UNION COUNTY

DOCKET NO.: UNN-L-2894-25

**AMENDED VERIFIED COMPLAINT IN
LIEU OF PREROGATIVE WRIT**

Plaintiffs Chilton Towers, LLC, Linden Arms, LLC, Elron Gardens NJ, LP, Hayes House, LLC, Rita Gardens NJ, LP, Stiles Arms NJ, Stiles Manor NJ, Turtle Village Gardens NJ, LP, Watson Gardens NJ, LP, North Salem Terrace, LLC, Lopado Realty Associates, LLC, and Rutgers Court Associates, LLC, by way of verified complaint against Defendants says:

PARTIES

1. Plaintiff Chilton Towers, LLC, is a New Jersey limited liability company, which owns and operates a commercial building that includes 197 units located at 220 West Jersey Street, Elizabeth, New Jersey 07202. Plaintiff's management office is located at PO Box 43, Livingston, New Jersey 07039.

2. Plaintiff Linden Arms, LLC, is a New Jersey limited liability company, which owns and operates a commercial building that includes 80 units located at 811-831 Linden Avenue, Elizabeth, New Jersey 07202. Plaintiff's management office is located at PO Box 43, Livingston, New Jersey 07039.

3. Plaintiff Elron Gardens NJ, LP, is a New Jersey limited partnership, which owns and operates a commercial building that includes 30 units, located at 578 Morris Avenue, Elizabeth, New Jersey 07208. Plaintiff's management office is located at 300 Boulevard of the Americas, Suite 201, Lakewood, New Jersey 08701.

4. Plaintiff Hayes House, LLC, is a New Jersey limited liability company which owns and operates a commercial building that includes 151 units, located at 330 West Jersey Street, Elizabeth, New Jersey 07202. Plaintiff's management office is located at 300 Boulevard of the Americas, Suite 201, Lakewood, New Jersey 08701.

5. Plaintiff Rita Gardens NJ, LP, is a limited partnership which owns and operates a commercial building that includes 27 units, located at 810 Murray Street, Elizabeth, New Jersey 07202. Plaintiff's management office is located at 300 Boulevard of the Americas, Suite 201, Lakewood, New Jersey 08701.

6. Plaintiff Stiles Arms NJ, LP, is a New Jersey limited partnership which owns and operates a commercial building that includes 56 units, located at 181 Stiles Street, Elizabeth, New

Jersey 07208. Plaintiff's management office is located at 300 Boulevard of the Americas, Suite 201, Lakewood, New Jersey 08701.

7. Plaintiff Stiles Manor NJ Gardens, LP, is a New Jersey limited partnership which owns and operates a commercial building that includes 41 units, located at 171 Stiles Street, Elizabeth, New Jersey 07208. Plaintiff's management office is located at 300 Boulevard of the Americas, Suite 201, Lakewood, New Jersey 08701.

8. Plaintiff Turtle Village Gardens NJ, LP, is a New Jersey limited partnership which owns and operates a commercial building that includes 40 units, located at 461 Morris Avenue, Elizabeth, New Jersey, 07208. Plaintiff's management office is located at 300 Boulevard of the Americas, Suite 201, Lakewood, New Jersey 08701.

9. Plaintiff Watson Gardens NJ, LP, is a New Jersey limited partnership which owns and operates a commercial building that includes 36 units, located at 50 Watson Avenue, Elizabeth, New Jersey, 07202. Plaintiff's management office is located at 300 Boulevard of the Americas, Suite 201, Lakewood, New Jersey 08701.

10. Plaintiff North Salem Terrace, LLC, is a New Jersey limited liability company which owns and operates a commercial building that includes 43 units, located at 644 Salem Avenue, Elizabeth, New Jersey, 07208. Plaintiff's management office is also located at 644 Salem Avenue, Elizabeth, New Jersey, 07208.

11. Plaintiff Lopado Realty Associates, LLC, is a New Jersey limited liability company which owns and operates a commercial building that includes 116 units, located at 425 Rosehill Place, Elizabeth, New Jersey 07202. Plaintiff's management office is located at 235 Moore Street, 3rd Floor, Hackensack, New Jersey 07601.

12. Rutgers Court Associates, LLC, is a New Jersey limited liability company which owns and operates a commercial building that includes 42 units, located at 424-436 Vine Street, Elizabeth, New Jersey 07202. Plaintiff's management office is located at 235 Moore Street, 3rd Floor, Hackensack, New Jersey 07601.

13. Plaintiff Associates 64, LLC, is a New Jersey limited liability company, which owns and operates mixed residential and commercial buildings that include 28 residential and 6 commercial units located at 1464 Lexington Place and another 33 residential and 4 commercial units located at 1465 Lexington Place, Elizabeth, New Jersey 07208. Plaintiff's management office is located at 368 Broad Street STE 2, Newark, New Jersey 07104.

14. Defendant Jordy Hernandez ("Defendant Hernandez") is an individual whose address is 123 Elm Street, Apartment 1, Elizabeth, New Jersey 07208.

15. Defendant Ricky Castaneda ("Defendant Castaneda") is an individual whose address is 731 Wyoming Avenue, Elizabeth, New Jersey 07208.

16. Defendant Sergio Abreu ("Defendant Abreu") is an individual whose address is 321 South Broad Street, Apartment 520, Elizabeth, New Jersey 07202.

17. Defendant Marieanneza Steiniger ("Defendant M. Steiniger") is an individual whose address is 214 Edgar Place, Elizabeth, New Jersey 07202.

18. Defendant Anthony Steiniger ("Defendant A. Steiniger") is an individual whose address is 214 Edgar Place, Elizabeth, New Jersey 07202.

19. The City of Elizabeth ("Elizabeth" or the "City") is a body politic organized pursuant to the laws of the state of New Jersey with offices located at 50 Winfield Scott Plaza, Elizabeth, New Jersey 07201.

20. Yolanda Roberts is the municipal clerk of the City of Elizabeth. In that capacity, she is responsible for reviewing and certifying Initiative Petitions.

PROCEDURAL & FACTUAL BACKGROUND

21. Through a process known as an Initiative under N.J.S.A. 40:69A-184 through 196 (the “Statute”), “an initiated ordinance may be submitted to the municipal council by a number of the legal voters of the municipality equal in number to at least 10% but less than 15% of the total votes cast in the municipality at the last election at which members of the General Assembly were elected, subject to the restrictions set forth in section” 192 of the Statute.

22. In effect, residents can propose legislation, i.e., an ordinance, to a municipality’s governing body, and if the governing body fails to adopt the proposed ordinance, it “shall be submitted at the next general or regular municipal election occurring not less than 40 days after the final date for withdrawal of the petition as provided for in” N.J.S.A. 40:69A- 191, “provided that if no such election is to be held within 90 days the council shall provide for a special election to be held not less than 40 nor more than 60 days from the final date for withdrawal of the petition as provided for in” N.J.S.A. 40:69A-191 of the Statute.

23. For Faulkner Act municipalities such as Elizabeth, the Initiative Petitions, pursuant to N.J.S.A. 40:69A-186, requires five residents chosen by the residents of Elizabeth, known as the Committee of the Petitioners (the “Committee”), to represent them and obtain the required number of valid signatures of legal voters of the Elizabeth. The Committee, under Section 186, are charged with circulating and filing the Initiative Petitions.

24. The five Committee members, according to the Petition, are Defendant Jordy Hernandez, Defendant Castaneda, Defendant Abreu, Defendant M. Steiniger, and Defendant A. Steiniger.

25. Elizabeth's rent control ordinance specifically Chapter 5.70.60 of the Municipal Code (the "Ordinance") concerning increases in base rent currently reads in full:

- A. Establishment of base rents between a landlord and a tenant to whom this act is applicable shall hereinafter be determined by the provisions of this chapter. At the expiration of a lease, termination of a lease of a periodic tenant or at the anniversary date of the building, no landlord shall request or receive any increase in base rent in excess of three percent over the base rent received for the twelve (12) months prior.
- B. No landlord may request or receive more than one increase in base rent for any twelve (12) month period.
- C. Any landlord who willfully violates this section may be subject to the penalties provided in Section 5.70.220.

26. All dwellings, as defined herein, are subject to the provisions of this chapter, but dwellings may be exempt from provisions of this section for a period of time not to exceed that which is proscribed by N.J.S.A. 2A: 42-84.2.

27. This ordinance was amended in 2022 to remove a monetary cap of \$20 after the governing body made the legislative finding that a cap of \$20 was unreasonable. (See **Exhibit A**).

28. On June 10, 2025, City Clerk Yolanda Roberts received eleven petition books from Defendant Castaneda, for a question to be placed on the November 4, 2025, Election Ballot to amend the Ordinance. See receipt of City Clerk, dated June 10, 2025, attached hereto as **Exhibit B** and summary of submission by Committee of the Petitioners, **Exhibit C**.

29. The petition books were deficient on their face (falling far short of the required number of signatures). By way of memo dated June 27, 2025, the Clerk notified the Committee of the required number of signatures and advised the Committee that it had 10 days to amend the

Initiative Petitions with sufficient signatures. Attached hereto as **Exhibit D** is a copy of the Clerk's June 27, 2025 memo.

30. According to the City Clerk, the minimum number of valid signatures required to advance the Initiative and to place the question to amend the Ordinance on the November 4, 2025, Election Ballot is 638, which represents 10% of the 6,388 votes cast on November 7, 2023, Election for Membership of the General Assembly in the City of Elizabeth.

31. However, according to the Secretary of State's Division of Elections website, the total number of ballots cast in that election from Elizabeth was 6,399. Accordingly, 10% of that number is 639.9, and therefore, the Statute requires 640 signatures. See summary attached hereto as **Exhibit E**.

32. Either way, the number is somewhere between 638-640 signatures.

33. It appears that on or about July 7, 2025, the Committee submitted 19 more petition books.

34. The Petitions considered by the Clerk consisted of 30 "books," which according to the Clerk's initial count contained 857 signatures. A full copy of the Petitions is attached hereto as **Exhibit F**.

35. On July 14, 2025, the Clerk issued a letter to the Committee indicating that she had reviewed the Petitions, and had rejected 207 signatures as non-registered (104), Irregular (not conforming to voter registration data) (39), Illegible (44), Disenfranchised (13), Rejected (voter application) (1); and non-residents (6). See **Exhibit G** attached hereto.

36. However, because the Clerk determined that 638 signatures required and had validated 650 signatures, she indicated that the Petition had been accepted.

37. On July 16, 2025, the Clerk issued a similar memo directly to the City Council, indicating that the Petition had been accepted, and that under N.J.S.A. 40:69A-190 “an initiative ordinance so submitted shall be deemed to have had first reading and provision shall be made for a public hearing.” See **Exhibit H**. The Clerk suggested a July 28, 2025 special meeting.

38. The matter was discussed at the City Council’s July 22, 2025 meeting, and the council accepted the suggestion for a special meeting on July 28, 2025.

39. On July 28, 2025, Plaintiffs filed an Order to Show Cause seeking to impose an immediate injunction and temporary restraints upon the City of Elizabeth from considering the initiated ordinance contained in a petition filed with the City Clerk on June 10, 2025, and intended to be considered at the City Council’s July 28, 2025 council meeting.

40. On July 28, 2025, Judge Walsh held an emergent hearing on Plaintiffs’ request for an immediate injunction and temporary restraints, which was denied.

41. On July 28, 2025, the City Council held the meeting as scheduled, with six of its nine members in attendance. Upon information and belief, a public hearing occurred and the ordinance was purportedly passed by a vote of 6-0.

42. As of this time, it is unknown whether the Mayor has signed the Ordinance, vetoed it, or taken no action. If the Mayor signs the ordinance or takes no action, then the Ordinance is considered as having passed by the governing body, and takes effect after a statutory estoppel period.

43. The Initiated Ordinance limits “increases in Base Rent to add a \$20.00 annual rent cap so that no landlord shall request or receive any increase in base rent in excess of three percent (3%) or twenty dollars (\$20.00), whichever is less, over the base rent received for the twelve (12) months prior and this ordinance shall remain in full force and effect until December 31, 2027.”

44. Plaintiffs challenge procedural and substantive aspects of the Petition and Ordinance as set forth further herein, and seek for the Petition and any subsequent Ordinance passed as a result of the Petition to be stricken as improper, unlawful, and unconstitutional, as further set forth below.

COUNT I – PETITION VIOLATES THE STATUTE BECAUSE IT DOES NOT CONTAIN VALID NUMBER OF SIGNATURES DUE TO INVALID CIRCULATORS.

45. Plaintiffs repeat and incorporate each and every allegation contained in Paragraphs 1 through 44 as if fully set forth herein.

46. Pursuant to N.J.S.A. 40:69A-186, the members of the Committee of the Petitioners are responsible for circulating the Initiative Petitions, and **there is no statutory authority for anyone other than one of the five members to circulate and certify initiative petition books.**

47. Of the 30 books submitted, only five of the books were circulated by members of the Committee of the Petitioners.

48. Specifically, Book 8 circulated by Ricky Castaneda, containing at most, 49 signatures, Books 11 and 24 circulated by Jordy Hernandez, containing at most 17, and 6 signatures, respectively, Book 23, circulated by Sergio Abreu, containing at most 6 signatures, and Book 25, circulated by Marieanneza Steiniger, containing at most 8 signatures.

49. Therefore, at most, those books contain a maximum of 86 signatures, assuming every submitted signature is otherwise valid.

50. The remaining books were circulated by non-committee members as follows:

- (a) Isaac Jimenez, 429 Fairmount Avenue, Jersey City (Books 1-4, 7, 12, 13, 22, and 29);
- (b) Herberth Chacon, 348 Harvard Avenue, Hillside (Books 5 and 17);
- (c) Marc Lataillade, 55 Monroe Place, Bloomfield (Books 6 and 27);

- 16);
- (d) Carissa Cunningham, 272 Hamilton Street, New Brunswick (Books 9 and 16);
 - (e) Amelia Markey, 547 Hunter Avenue, Scotch Plains (Books 10 and 18);
 - (f) Eric Kapp (not a registered voter in New Jersey) (Book 14);
 - (g) Levi Hoffman, 29 Concord Avenue, Maplewood (Book 15);
 - (h) Anjali Madgula, 14 Cotone Street, South Plainfield (Book 19);
 - (i) Zachary Kourgialis, 101 Kensington Avenue, Jersey City (Book 20);
 - (j) Ricardo Rojas, 600 Summer Street, Elizabeth (Book 21);
 - (k) Timothy Noonan, 1 Washington Avenue, Morristown (likely) (Book 26);
 - (l) Maria Martinez Fuentes, cannot confirm address (Book 28); and
 - (m) Jake Ephios, 215 Sherman Avenue, Jersey City (Book 30).

51. All of the above identified books are invalid based upon being circulated by individuals who are not statutorily authorized to serve as circulators.

52. Alternatively, only circulators who are registered, Elizabeth voters should be permitted circulate books, and any non-City voter precluded.

53. No law permits non-New Jersey residents and/or non-voters to circulate petitions, and those should likewise be rejected in their entirety.

**COUNT II – EVEN IF NO BOOKS ARE REJECTED IN BASED UPON IMPROPER
CIRCULATORS, THE PETITION STILL DOES NOT HAVE THE REQUIRED
NUMBER OF VALID SIGNATURES**

54. Plaintiffs repeat and incorporate each and every allegation contained in Paragraphs 1 through 53 as if fully set forth herein.

55. Even if all Petition Books are considered, despite being circulated by non-Committee members and non-residents, there are still not enough valid signatures to reach the threshold required by statute.

56. In some cases, the signatories were not Elizabeth residents or not registered to vote in Elizabeth, and therefore, not qualified voters.

57. In other instances, the signatures did not contain the required address or signature.

58. Finally, in some instances, the signatures appear to be made by individuals other than the voters themselves, and are therefore void as fraudulent and improper.

59. A summary of the deficiencies is contained in **Exhibit I**.

60. In total, the number of valid signatures is below the required threshold.

61. Further, the Clerk has miscalculated the required number of signatures required, which should be 640, not 638.

**COUNT III – THE ORDINANCE IS PROCEDURALLY VOID BECAUSE OF
IMPROPER SUMMARY, FAILURE TO PROPERLY NOTICE, AND INSUFFICIENT
VOTE**

62. Plaintiffs repeat and incorporate each and every allegation contained in Paragraphs 1 through 61 as if fully set forth herein.

63. The Petition as circulated contained a summary in the body of the Petition not authorized by statute, invalidating the petition.

64. Additionally, the summary failed to contain information regarding changes to the ordinance setting a time frame upon which the rent control would last, further invalidating the petition.

65. As correctly cited by the Clerk in her July 16 memo, when an ordinance is proposed through the Initiative process and is accepted by the Clerk, it is considered as having had its first reading. N.J.S.A. 40:69A-190.

66. N.J.S.A. 40:69A-181 provides that ordinances must still be adopted pursuant to the general laws.

67. N.J.S.A. 40:49-2(a) states that every ordinance “after being introduced and having passed a first reading... shall be published in its entirety or by title or by title and summary at least once in a newspaper published and circulated in the municipality ...

68. The final passage of any ordinance shall be at least 10 days after the first reading. N.J.S.A. 40:49-2(b).

69. However, nothing in the Initiative statutes relieves the City from all other requirements for considering an Ordinance. See Sparta v. Spillane, 125 N.J. Super. 519 (App. Div. 1973).

70. Here, upon information and belief, **the Initiated Ordinance was not published as required prior to the public hearing and vote on July 28, 2025.**

71. As a result, any vote to approve the Initiated Ordinance upon second reading is void.

72. Also, unofficial accounts suggest a 6-0 vote on the Ordinance, however, some reports of individuals present reported a 4-2 vote of the Council. Upon information and belief, the ordinance may not have had sufficient votes based upon a nine-member council.

COUNT IV – THE PETITION IS INVALID BECAUSE THE PROPOSED ORDINANCE IS ARBITRARY, CAPRICIOUS, AND UNREASONABLE.

73. Plaintiffs repeat and incorporate each and every allegation contained in Paragraphs 1 through 72 as if fully set forth herein.

74. The United States Constitution and the New Jersey Constitution require government action to be reasonable, and any action which is arbitrary, capricious, and unreasonable is void on its face.

75. There is no rational support in the record to support a \$20 cap on rent increases, which the City Council previously held was unreasonable. This proposed dollar cap is inconsistent with every other rent control ordinance in the state, and has the effect of imposing lower rent increases, in percentage terms, on higher-rent properties and higher rent increases, in percentage terms, on lower-rent properties without justification; as such it is arbitrary, capricious, and unreasonable on its face.

76. Since ballots cannot include ordinances that flout the state or federal constitutional prohibition against arbitrary and capricious government action, this is therefore invalid as a proposed ordinance under the Initiative process.

COUNT V – PETITION IS UNCONSTITUTIONAL ON ITS FACE AND AS APPLIED

77. Plaintiffs repeat and incorporate each and every allegation contained in Paragraphs 1 through 76 as if fully set forth herein.

78. An arbitrary \$20 cap acts as an unconstitutional taking under the federal and state constitution.

79. The Initiated Ordinance violates Plaintiffs' equal protection rights, due process rights, contract right, and property rights, resulting in an unconstitutional taking.

80. It also violated the equal protection and due process clauses.

81. It is a violation of the New Jersey Civil Rights Act.

82. It is also a violation of 42 U.S.C. 1983.

WHEREFORE, Plaintiffs hereby demand that the Initiative Petition and Subsequent Ordinance be deemed invalid, that the proposed initiated ordinance is void, that Plaintiffs recover their legal cost and fees incurred in bringing this matter, and for any other relief the court deems equitable and just.

KING, MOENCH & COLLINS LLP
Attorneys for Plaintiffs

/s/Matthw C. Moench

By: Matthew C. Moench, Esq.

Dated: August 6, 2025

DESIGNATION OF TRIAL COUNSEL

Pursuant to Rule 4:25-4, Matthew C. Moench, Esq. is hereby designated as trial counsel in this matter.

KING MOENCH & COLLINS LLP
Attorneys for Plaintiffs

/s/Matthw C. Moench

By: Matthew C. Moench, Esq.

Dated: August 6, 2025

Rule 4:5-1 Certification

I certify that the matter in controversy is not the subject of any other action pending in any court or a pending arbitration proceeding, and no such action is contemplated. I know of no other parties that should be made part of this lawsuit. I recognize my continuing obligation to file and serve on all parties and the Court any amended certification, if there is a change in the facts stated in the original certification.

KING MOENCH & COLLINS LLP
Attorneys for Plaintiffs

/s/Matthw C. Moench

By: Matthew C. Moench, Esq.

Dated: August 6, 2025

Rule 1:38-7 Certification

I certify that any of the defendant(s)' confidential identifiers have been redacted from the documents submitted to the Court and will be redacted from any documents submitted in the future, in accordance with R. 1:38-7(b).

/s/Matthw C. Moench

By: Matthew C. Moench, Esq.

Dated: August 6, 2025

VERIFICATION

I hereby certify that the foregoing statements made within the Verified Complaint are true and accurate to the best of my knowledge, based upon the information available to me at this time.

I am aware that if any of the statements made herein by me are willfully false, I am subject to punishment.



Date: August 6, 2025

VERIFICATION

I hereby certify that the foregoing statements made within the Verified Complaint are true and accurate to the best of my knowledge, based upon the information available to me at this time.

I am aware that if any of the statements made herein by me are willfully false, I am subject to punishment.

Date: August 6, 2025

A handwritten signature in black ink, appearing to read 'J Feldman', written over a horizontal line.


Joseph Feldman, VP
North Salem Terrace, LLC

VERIFICATION

I hereby certify that the foregoing statements made within the Verified Complaint are true and accurate to the best of my knowledge, based upon the information available to me at this time.

I am aware that if any of the statements made herein by me are willfully false, I am subject to punishment.

Date: August 6, 2025

Clinton Arms, LLC
By Legow Insurance LLC, Manager


BY DAVID LEGOW Insurance

VERIFICATION

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Date: August 6, 2025

Chilton Towers, LLC



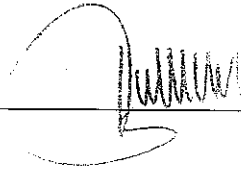
BY DAVID L. LEGON, Manager

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Date: August 6, 2025

Clinton Arms, LLC
By Legow Insurance LLC, Manager


BY DAVID LEGOW Insurance

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Date: August 6, 2025

Chilton Towers, LLC



BY DAVID L. LEGON, Manager