

The 25th NYS Senate District CALL-TO-ACTION

Guide to Preserving Affordable Housing



Senator Jesse



NYS Assembly



NYS Assembly Karim Camara



NYS Assembly Joseph Lentol



Senator Velmanette Montgomery



Boro President Eric Adams



Dept Boro Pres Diana Reyna



NYS Assembly Annette Robinson



NYS Assembly Walter Mosley



NYS Assemb Felix Ortiz



NYC Council Laurie Cumbo

NYS Assembly Jo Anne Simon

THE AFFORDABLE HOUSING CRISIS





V15 Assembly Latrice Walker



NYC Council Carlos Menchac

NYC Council



Robert Cornegy

Thursday, January 15, 2015 – 6:00-8:30 PM Lafayette Avenue Presbyterian Church

85 South Oxford Street (corner of Lafayette Ave.), Brooklyn, NY

- SPEAKERS:

 Ted Houghton, Executive Deputy Commissioner,
 NY State Department of Homes and Community Renewal
- NYC Department of Housing Preservation and Development (HPD)
- · Housing Advocates

TOPICS WILL INCLUDE:

- Stabilizing the Affordable Housing Supply
- The Expiring Rent Laws
- ORGANIZING FOR ACTION!

WHAT WILL THE EXPIRING RENT LAWS MEAN FOR YOU AND YOUR FAMILY?

To RSVP or for more information, please contact Senator Montgomery's Office at 718-643-6140 or E-mail OJONAS@NYSENATE.GOV

Be a

SOME-body!

Strategize Optimize Mobilize Engage

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SPECIAL THANKS TO:

Pratt Area Community Council Tenants & Neighbors Legal Aid Society

Fifth Avenue Committee Lafayette Avenue Presbyterian Church

The Affordable Housing Crisis:

A Community Discussion with City & State Officials and Housing Advocates

- Welcoming remarks from Sen. Velmanette Montgomery
- New York City Comptroller Scott Stringer
 Discussion on "The Growing Gap: New York City's Housing Affordability Challenge"
- Ted Houghton, Executive Deputy Commissioner
 New York State Homes and Community Renewal
 Discussion on the Expiring Rent Laws and New York State's tools for
 preserving affordable housing
- Jordan Press, Director of Legislative Affairs and Federal Policy NYC Department of Housing Preservation & Development (HPD)

Discussion on HPD's policies and practices for preserving the affordable housing stock

- Panel Discussion and Question and Answer Session featuring:
 - Deborah Howard, Executive Director, Pratt Area Community Council
 - Delsenia Glover, Campaign Manager, Lead Rent Regulation Organizer, Tenants & Neighbors
 - Judith Goldiner, Attorney in Charge, Civil Law Reform Unit, The Legal Aid Society
 - Dave Powell, Director Of Organizing & Advocacy, Fifth Avenue Committee
- Community Strategy Session

PRESENTERS

HON. SCOTT STRINGER NEW YORK CITY COMPTROLLER

One Centre Street * New York, NY 10007 * (212) 669-3916 - http://comptroller.nyc.gov
Scott M. Stringer is the Comptroller of the City of New York, the City's Chief Financial Officer, responsible for providing an independent voice to safeguard the fiscal health of the City, root out waste, fraud and abuse in City government and ensure the effective performance of City agencies to achieve their goals of serving the needs of all New Yorkers. As Comptroller, Scott's responsibilities include conducting performance and financial audits of all City agencies; serving as a fiduciary to the City's five public pension funds totaling nearly \$160 billion in assets; providing comprehensive oversight of the City's budget and fiscal condition; reviewing City contracts for integrity, accountability and fiscal compliance; managing the fair, efficient and effective resolution of claims; ensuring transparency and accountability in the prevailing wage rate-setting process and vigorously enforcing prevailing wage and living wage laws; and promoting innovative policies that enhance City government's efficiency, integrity and performance for all New Yorkers.

TED HOUGHTON

EXECUTIVE DEPUTY COMMISSIONER

NEW YORK STATE HOMES AND COMMUNITY RENEWAL

Brooklyn Office * 55 Hanson Place, Room 702 * Brooklyn, NY 11217 * 718-262-4778 * www.nyshcr.org

New York State Homes and Community Renewal (HCR) consists of all the State's major housing and community renewal agencies, including The Affordable Housing Corporation, The Division of Housing and Community Renewal, Housing Finance Agency, State of New York Mortgage Agency, Housing Trust Fund Corporation and others.

- Finance and Development aligns all programs that fund the development of affordable housing, including Low Income Housing Tax Credit programs, tax exempt and taxable bond finance programs, single family loan and Capital awards programs.
- *Housing Preservation* includes all the programs that maintain and enhance the state's portfolio of existing affordable housing. This includes the Office of Rent Administration, the Section 8 program, Asset Management and the Weatherization Assistance Program.
- Community Renewal includes all the programs geared toward community and economic development, job creation and downtown revitalization, including the NYS Community Development Block Grant Program, NY Main Street program, Affordable Housing Corporation, Neighborhood Stabilization Program and the Neighborhood and Rural Preservation programs.

JORDAN PRESS

DIRECTOR OF LEGISLATIVE AFFAIRS AND FEDERAL POLICY NYC DEPARTMENT OF HOUSING PRESERVATION & DEVELOPMENT (HPD)

100 Gold Street * New York, NY 10038 * 311 * http://www.nyc.gov/html/hpd

 The New York City Department of Housing Preservation and Development (HPD) is the largest municipal housing preservation and development agency in the nation. The agency's mission is to promote housing equality and create and sustain viable neighborhoods for New Yorkers through housing education, outreach, loan and development programs and enforcement of housing standards.

PANELISTS

DEB HOWARD - EXECUTIVE DIRECTOR PRATT AREA COMMUNITY COUNCIL (PACC)

201 DeKalb Avenue * Brooklyn, NY 11205 * (718) 522-2613 * www.prattarea.org

PACC is an award winning non-profit housing organization, with four offices serving Fort Greene, Clinton Hill, Bedford Stuyvesant and the whole of Brooklyn. With a dedicated staff of over 75, we will continue to: Organize against lead paint hazards in our communities; Fight to preserve Project-based Section 8 Housing, a looming crisis in affordable housing; Offer financial, homeowner and business educational workshops; Provide loans and grants to homebuyers, homeowners and small businesses; Work to prevent foreclosures and; Continue business retention and revitalization activities and begin the process of developing a Business Improvement District on Fulton Street.

DELSENIA GLOVER - CAMPAIGN MANAGER, LEAD RENT REGULATION ORGANIZER TENANTS & NEIGHBORS

236 West 27th Street, 4th Floor * New York, NY 10001 * 212-608-4320 * www.tandn.org

Tenants & Neighbors is a grassroots organization that helps tenants build and effectively wield their power to preserve at-risk affordable housing and strengthen tenants' rights in New York. Through organizing, education, intensive leadership development, grassroots mobilization, and strategic policy and legislative advocacy, Tenants & Neighbors is building a strong and unified tenant movement that has the knowledge and power to effect real change. Tenants & Neighbors is comprised of two affiliate organizations, New York State Tenants & Neighbors Information Service, which does organizing, education, and leadership development and New York State Tenants & Neighbors Coalition, a membership organization that spearheads legislative campaigns.

JUDITH GOLDINER - ATTORNEY IN CHARGE, CIVIL LAW REFORM UNIT THE LEGAL AID SOCIETY

111 Livingston Street, 7th Floor * Brooklyn, NY 11201 * (718) 722-3100 * www.legal-aid.org

The Legal Aid Society is a private, not-for-profit legal services organization, the oldest and largest in the nation, dedicated since 1876 to providing quality legal representation to low-income New Yorkers. It is dedicated to one simple but powerful belief: that no New Yorker should be denied access to justice because of poverty. The Society handles 300,000 individual cases and matters annually and provides a comprehensive range of legal services in three areas: the Civil, Criminal and Juvenile Rights Practices. Unlike the Society's Criminal and Juvenile Rights Practices, which are constitutionally mandated and supported by government, the Civil Practice relies heavily on private contributions.

DAVE POWELL - DIRECTOR OF ORGANIZING & ADVOCACY FIFTH AVENUE COMMITTEE

621 DeGraw Street * Brooklyn NY 11217 * 718 237-2017 * www.fifthave.org

Fifth Avenue Committee, Inc. (FAC) is a community organization in South Brooklyn that advances economic and social justice by building vibrant, diverse communities where residents have genuine opportunities to achieve their goals, as well as the power to shape the community's future. FAC is a nationally-recognized nonprofit community development corporation formed in 1978 that works to transform the lives of over 5,000 low- and moderate-income New Yorkers annually so that we can all live and work with dignity and respect while making our community more equitable, sustainable, inclusive, and just. To achieve our mission, FAC develops and manages affordable housing and community facilities, creates economic opportunities and ensures access to economic stability, organizes residents and workers, offers student-centered adult education, and combats displacement caused by gentrification.

RENT REGULATIONS EXPIRING JUNE 2015

On **June 15** of this year, many New York laws protecting renters and cooperative and condominium owners in New York City, Nassau, Westchester and Rockland Counties, will expire, and must be renewed by the State Legislature and the Governor.

Following are the laws that are slated to expire. Please sound your *Call To Action* and join the movement to renew and expand your protections.

EMERGENCY TENANT PROTECTION ACT OF 1974 (ETPA)

Customarily combined with the Emergency Housing Rent Control Law (upstate rent control) and the City of Albany rent control law, both also expiring June 15, 2015

The **Emergency Tenant Protection Act of 1974 (ETPA)** provided for rent stabilization in various municipalities (local opt-in) in Nassau, Rockland and Westchester counties predicated on a continuing housing emergency (i.e., vacancy rate less than 5%), amended the NYC Rent Stabilization Law, and ended the 1971 vacancy decontrol of rent stabilized units.

RENT CONTROL

A number of communities in New York State have rent regulation programs known as rent control and rent stabilization. Rent regulation is intended to protect tenants in privately-owned buildings from illegal rent increases and allow owners to maintain their buildings and realize a reasonable profit.

Rent control is the older of the two systems of rent regulation. It dates back to the housing shortage immediately following World War II and generally applies to buildings constructed before 1947. Rent stabilization generally covers buildings built after 1947 and before 1974, and apartments removed from rent control. It also covers buildings that receive J-51 and 421-a tax benefits. Outside New York City, rent stabilization is also known as ETPA, short for the Emergency Tenant Protection Act and is applicable in some Nassau, Westchester and Rockland counties.

RENT STABILIZATION

Rent stabilization provides protections to tenants besides limitations on the amount of rent. Tenants are entitled to receive required services, to have their leases renewed, and may not be evicted except on grounds allowed by law. Leases may be renewed for a term of one or two years, at the tenant's choice. Tenants can file relevant complaints on a variety of forms created by the Division of Housing and Community Renewal (DHCR). DHCR is required to serve the complaint on the owner, gather evidence and then can issue a written order which is subject to appeal.

If a tenant's rights are violated, DHCR can reduce rents and levy civil penalties against the owner. Rents may be reduced if services are not maintained. In cases of overcharge, DHCR may assess penalties of interest or treble damages payable to the tenant.

421-A PROGRAM

Tax Exemptions in New York City for construction of New Multiple Dwellings (Real Prop. Tax Law §421-a), major provisions expiring June 15, 2015.

The 421a program was initiated in 1971 as an incentive for the private sector to build new residential apartments on underutilized or unused land in the city. The 421-a Tax Incentive program is a 10 or 20-year partial tax exemption for the new construction of multi-family rental housing. The developer of a project which receives benefits must finance or perform the construction or rehabilitation of on-site or off-site affordable units. Generally, one affordable unit must be financed or constructed for every five units in the project receiving benefits.

Background

(From a Pratt Institute / Habitat for Humanity report, 2006)

"New York City's 421-a property tax exemption program was created in the 1970s, when the city

was on hard times, to encourage developers to build new housing. In the 1980s, it was adjusted to help encourage affordable housing – so buildings in Manhattan (roughly between 14th & 96th Streets, known as the "exclusion zone") have to include 20% affordable units in order to receive a tax break. But elsewhere in the city, developers receive a 10 – 15 year "asof-right" tax break for any new, market-rate, multifamily development. As a result, exclusively high-end buildings in every corner of the city are receiving large tax exemptions.

"In 2006, the City is gave \$400 million in tax breaks through the 421-a program, with most of that going to subsidize luxury development. In the fall of that year, a task force appointed by Mayor Michael Bloomberg proposed to adjust the program: to expand the "exclusion zone" (where affordable housing is required in exchange for the tax break) to cap the benefits

that buildings outside of that zone can receive, and to eliminate the inefficient off-site "negotiable certificates" program.

"However, in many neighborhoods in all five boroughs, exclusively market-rate developments – even million-dollar condos – would still receive tax breaks (of up to approximately \$107,000 per unit in lifetime benefits. That means a 50-unit luxury building can receive \$5.3 million in lifetime tax breaks. Moderate and middle income New Yorkers are paying more in taxes to give a tax break to developers and condo-buyers. While the proposed new exclusion zone covers many neighborhoods where high end development is taking place, there is substantial high-end development outside of that zone.

"This year, the City of New York will consider a much-needed overhaul of the 421-a property tax exemption program, which provides extensive tax breaks to residential developers. The 421-a program was created more than three decades ago, at a time of fiscal crisis and neighborhood abandonment, when New York was hungry for any new development.

"In today's housing market, however, 421-a is subsidizing luxury housing in upscale neighborhoods, at a huge financial cost to the City. The program – which cost the City \$320 million this year – is creating few of the affordable homes that average New Yorkers desperately need.

"Habitat for Humanity-New York City and the Pratt Center for Community Development reviewed the program and found that:

- The 421-a program has subsidized over 100,000 housing units since the program's inception. However, according to a 2003 report by the Independent Budget Office, only about 8% of the units are affordable to low or moderate income families. * The cost of the program to the City of New York has grown 150% in just 4 years, up from \$130 million in lost tax revenue in 2002 to \$320 million in 2006.
- The exemptions are especially lucrative for Manhattan developers, where housing stimulation is least needed. While Manhattan projects accounted for only 23% of all exemptions in 2005, Manhattan developers received over 78% of the value of these tax breaks.
- In some cases, developers contribute as little as 12 to 15 cents for affordable housing (in the Bronx) for every \$1 of forgiven taxes on luxury buildings (in Manhattan). As developers enjoy these growing tax breaks, the recently-released Housing and Vacancy Survey shows that New York City's housing crisis continued to deepen from 2002 to 2005:
- Average tenant incomes were down 5.6%, but average rents were up 8.7.%
- The number of New Yorkers paying more than half of their income in rent grew by 13%, to more than 570,000 households (more than one quarter of all tenants).
- More than 100,000 families are living in overcrowded conditions; and almost 8,000 families are living in homeless shelters. The 421-a program represents a huge loss in tax dollars, with little public benefit. It is time to leverage these tax dollars to effectively foster the housing that New York City needs – affordable homes."

J-51 PROGRAM

Tax Exemptions and Abatements in New York City for Rehabilitation of Existing Multiple Dwellings (Real Property Tax Law §489), major provisions expiring January 1, 2015 and June 20, 2015

The J-51 Program provides real estate tax benefits to owners of residential real property who perform rehabilitation work on their properties. The Program also grants tax benefits to owners of non-residential buildings who convert their buildings to residential use. Benefits are available as of right to owners of eligible projects. The Program was originally enacted in 1955 to encourage landlords to upgrade cold water flats by installing heat and hot water systems, and has since been expanded to provide benefits for most major capital improvements, certain repairs, and conversions of buildings to residential use.

The Program grants two distinct benefits: a tax exemption and a tax abatement. The exemption temporarily exempts property from the increase in assessed value which would otherwise occur as a result of significant renovation work. The tax abatement reduces existing taxes by a percentage of the cost of the work performed. Most projects are eligible to receive both benefits for the same work.

Normally, owners upgrading a rent-regulated building are allowed to raise rents according to the luxury decontrol provisions of the rent stabilization law, HOWEVER, when a building is receiving J-51 money, it is not allowed to decontrol rent.

SCRIE & DRIE

Senior Citizen (SCRIE) and Disabled Rent Increase Exemption (DRIE) in Rent Regulate Dwelling Units (Expires June 15, 2015)

SCRIE

In 1970, the City of New York began the Senior Citizen Rent Increase Exemption (SCRIE) program. The SCRIE program helps seniors (aged 62 or over) who have limited means remain in affordable housing. The SCRIE program is designed to protect eligible seniors from most rent increases who live in: rent controlled; rent stabilized apartments; or rent-regulated residential hotel units. Tenants who live in public housing administered by NYCHA or receive Section 8 are not eligible for SCRIE.

DRIE

In 2005, the City of New York began the Disability Rent Increase Exemption (DRIE) program. The DRIE program helps disabled tenants who have limited means remain in affordable housing. The DRIE program is designed to protect eligible disabled tenants from most rent increases who live in: rent controlled; rent stabilized apartments; or rent-regulated residential hotel units; or Mitchell-Lama apartments; or HDFC Cooperatives; or Apartments located in a building where the mortgage is federally insured under Section 213 of the National Housing Act. Tenants who live in public housing administered by NYCHA or receive Section 8 are not eligible for SCRIE.

REPEAL OF THE URSTADT LAW

In 1971 the New York State Legislature passed the Urstadt Law which gave the State authority over the city's rent regulation by prohibiting cities "with a population of more than one million" from enacting stronger rent controls than the state's. The Mayor and City Council should have the authority to set rent regulations for New York City, not legislators from Long Island and Upstate New York.

PROGRAMS FOR MITCHELL-LAMAS AND CO-OPS

ARTICLE XI

Created by Article XI of the New York Private Housing Finance Law, the Article XI Tax Incentive encourages new construction or rehabilitation of affordable housing to be carried out by a HDFC. The process for approval is as follows: the Tax Incentive Programs Unit (TIP) of HPD receives a request for Article XI exemption from the project sponsor. TIP conducts a review of the project, including its ongoing and projected finances, to determine what level of exemption the project requires in order to remain financially viable. Once the appropriate level of exemption has been determined, the City Council must calendar the item for consideration and pass a resolution authorizing the exemption. If approved, the Article XI certificate is issued by TIP and the Department of Finance implements the tax benefits. The benefit consists of complete or partial exemption from real estate taxes for up to 40 years.

JOIN THE MOVEMENT TO SAVE RENT LAWS!

The following Housing Organizations have signed on to either Real Affordability for All Coalition or the Real Rent Reform coalitions. These organizations are ready to work with you on current housing difficulties and, most importantly, to work with all of us to defend Affordable Housing!

The **Real Affordability for All** (RAFA) coalition is made up of more than 50 groups, and is working to end the housing crisis in New York City. The coalition leverages its power to address homelessness, NYCHA, the preservation of existing affordable housing, and the development of new affordable housing. http://www.realaffordability.org/p/who-weare.html#

The Real Rent Reform (R3) is a coalition of community based organizations, labor unions, tenant associations, legal support and political clubs working together for safe, stable, and affordable housing for New Yorkers.

ALIGN

50 Broadway, 29th Floor New York, NY 10004 212 631 0886 http://www.alignny.org/

The Community Service Society of New York

105 East 22nd Street New York, NY 10010 212-254-8900 info@cssny.org http://www.cssny.org/

CWA Local 1180

6 Harrison Street New York, NY 10013 (212) 226-6565 Fax: (212)966-6831 http://www.cwa1180.org/

Fifth Avenue Committee

621 Degraw Street Brooklyn, NY 11217 (718)237-2017 Fax (718) 237-5366 http://www.fifthave.org/

Coalition for the Homeless

http://www.realrentreform.org/

129 Fulton Street New York, NY 10038 (212) 776-2000 Fax: (212)964-1303 Info@CFthomeless.org http://www.coalitionforthehomeless.org/

Community Voices Heard

115 East 106th Street, 3rd Fl. New York, NY 10029 (212)860-6001 http://www.cvhaction.org/

District Council 37 AFSCME. AFL-CIO

125 Barclay Street New York, NY 10007 212) 815-1000 http://www.dc37.net/index.html/

Habitat for Humanity New York City

111 John Street, 23rd Floor New York, NY 10038 (212) 991-4000 Fax: (212) 991-3990

https://habitatnyc.org/advocacy

Legal Aid Society

Brooklyn Neighborhood Office
111 Livingston Street, 7th Floor
Brooklyn, NY 11201
(718) 722-3100
http://www.legal-aid.org/en/las/findus/locations/brooklyn.aspx

FUREE

388 Atlantic Avenue, 2nd FI Brooklyn, NY 11217 (718) 852-2960 http://furee.org/

Safety Net Project at the Urban Justice Center

40 Rector Street, 9th Floor New York, NY 10006 646-602-5600 http://snp.urbanjustice.org/

Association for Neighborhood & Housing Development (ANHD)

50 Broad Street, Ste. 1402 New York, NY 10004-2699 (212)747-1117 Fax (212)747-1114 http://www.anhd.org/

National Lawyers Guild Housing Committee

132 Nassau Street, Rm. 922 New York, NY 10038 (212)679-5100 Fax (212) 679-2811 http://www.nlg.org/

University Settlement

184 Eldridge Street
New York, NY 10002
Ingersoll Community Center (718)522-5051
Info@universitysettlement.org
http://www.universitysettlement.org/us/

New York State Tenants & Neighbors

236 West 27th Street, 4th FI. New York, NY 10001 212-608-4320 info@tand.org http://www.tenantsandneighbors.org/

Make the Road NY

301 Grove Street Brooklyn, New York 11237 (718) 418-7690 f: (718) 418-9635 http://www.maketheroad.org

Mitchell-Lama Residents Coalition, Inc.

P.O. Box 20414
Park Qwest Finance station
New York, NY 10025
http://www.mitchell-lama.org/

Metropolitan Council on Housing

339 Lafayette Street #301 New York, NY 10012 Tenants' Rights telephone hotline: 212-979-0611 http://metcouncilonhousing.org/

New York Communities For Change

2-4 Nevins St, 2nd Fl Brooklyn, NY 11217 347-410-6919 http://www.nycommunities.org/

Vocal-NY

80-A Fourth Ave. Brooklyn, NY 11217 (718) 802-9540 info@vocal-ny.org http://www.vocal-ny.org/contact-us/

Supportive Housing Network of New York

247 W. 37th Street, 18th Floor New York, New York 10018 646-619-9640 Fax: 646-237-8505

http://shnny.org/

Frequently Asked Questions

The information below is supplied by the New York State Department of Homes and Community Renewal (formerly, DHCR). Any Fact Sheets referenced below can be downloaded from their website, www.nyshcr.org/rent/fags.htm



FREQUENTLY ASKED QUESTIONS * www.nyshcr.org/Rent/faqs.htm

Rent Stabilization and Rent Control

What is the difference between Rent Control and Rent Stabilization?

In New York City, Rent Control tenants are generally in buildings built before February 1, 1947, where the tenant is in continuous occupancy prior to July 1, 1971. Tenants who took occupancy after June 30, 1971, in buildings of six or more units built before January 1, 1974, are generally Rent Stabilized. See Fact Sheet #1.

If a tenant is renting an apartment in a building that is a co-op, is he or she rent regulated? In New York City, a rent regulated tenant in occupancy before the conversion to cooperative ownership under a non-eviction plan remains regulated as long as he or she continues in occupancy as a non-purchasing tenant.

How do I know if my apartment is Rent Regulated?

In NYC, a Rent Regulated apartment may be Rent Controlled or Rent Stabilized. Generally, an apartment occupied by a tenant continuously prior to July 1, 1971 in a building built before February 1, 1947 would come under Rent Control.

A Rent Stabilized apartment would generally be located in a building constructed prior to January 1, 1974 having 6 or more housing units. See <u>Fact Sheet #1</u>.

Is the owner of rent stabilized apartments required to register the rents?

Yes, the owner must register rents of rent stabilized units with DHCR on an annual basis on the Annual Apartment Registration (form RR-2A) and the Annual Registration Summary (form RR-2S) DHCR forms. A copy of the Annual Apartment Registration (form RR-2A) is required to be served on the tenant.

Are there any requirements for gaining access to registered rental information?

Yes, (See form FOIL-1) proof of identity and/or authorization for Rent Registration needs to be given to the Division of Housing and Community Renewal when access to registered rental information is requested. The proof of identification is as follows:

Owners must submit proof of ownership (copy of deed or contract of sale and/or a tax bill).

Prospective buyers must submit (a) proof of ownership as above, (b) a detailed letter from the owner identifying prospective buyer and authorizing the review of requested records.

Tenants must submit proof of identity and proof of occupancy: (a) For Rent Stabilized Apartment(s)-copy of lease, rent receipt or bill. (b) For Rent Controlled Apartment(s)-copy of utility bill, rent receipt or rent bill.

Representatives must submit (a) authorization from parties represented; or (b) Power of attorney; and (c) additional verification as requested above.

Overcharges and Leases

How much of an increase in rent will I have to pay in NYC when my lease is renewed?

The owner may charge a rent increase based on guidelines promulgated by the applicable Rent Guidelines Board. For more information, see Fact Sheet #26 and/or the NYC Rent Guidelines Board's website for the current guideline information.

What are the legally permissible methods for increasing the rent of a rent regulated apartment?

There are a number of ways to increase the rent for apartments under both Rent Control and Rent Stabilization. For specific information, see Fact Sheets:

#5 - Vacancy Leases in Rent Stabilized Apartments

#12 - Rent Adjustments for New Services, New Equipment or Improvements to an Apartment

#13 - Fuel Cost Adjustment

#22 - Maximum Base Rent Program (MBR) Questions and Answers for Owners

#23 - Fuel Cost Adjustment Questions and Answers for Owners

#26 - Guide to Rent Increases for Rent Stabilized Apartments in NYC

A tenant has, without justification, refused to sign a renewal lease. What recourse does the owner have?

Failure of a tenant to sign and return a proper renewal lease can be grounds for eviction. The owner can request that DHCR mediate the issue. Mediation is used to resolve the problem without the owner having to go to court. Owner's Request for Mediation forms are available at local rent offices.

Can a tenant be evicted if the owner of the building fails to give him or her a renewal lease?

If the building owner fails to offer a renewal lease to the tenant, the tenant shall not be deprived of his or her rights under the regulations. The owner shall be barred from commencing any action or proceeding against the tenant based upon the lack of a required renewal lease. See <u>Fact Sheet #4.</u>

Do I have a right to renew my lease?

Tenants in rent stabilized apartments have a right to select a one or two year renewal lease term. Generally, the renewal lease must keep the same terms and conditions as the expiring lease. See Fact Sheet #4.

Under rent stabilization in NYC, when must the renewal lease be offered?

The owner must give written notice of renewal by mail or personal delivery not more than 150 days and not less than 90 days before the existing lease expires. A failure of the tenant to respond within 60 days of the offering may lead to eviction proceedings. See Fact Sheet #4.

What if my owner does not offer me a renewal lease?

A tenant should first contact the owner to obtain a lease. If the owner fails to provide a renewal lease, the tenant has a right to file a complaint with DHCR on form RA90, Tenant's Complaint Of Owner's Failure To Renew Lease And/Or Failure To Furnish A Copy of A Signed Lease. See Fact Sheet #4.

Under what circumstances can a late fee and/or legal fees be charged?

There must be clauses in the original lease that authorize the collection of these fees. If these clauses are not included in the original lease, they cannot be charged.

The amount of the late fee must be reasonable. DHCR has generally considered a late fee to be reasonable if it is five percent (5%) of the monthly rent.

Does an owner have a right to collect a security deposit?

Yes, at the initial renting of the apartment to the tenant, the owner may collect a security deposit. The amount of a security deposit for rent regulated apartments can be no more than one month's rent. The security deposit must be kept by the owner in an interest bearing account in a NYS bank. See <u>Fact Sheet #9.</u>

Are family members protected from eviction when the tenant dies or permanently leaves the apartment? What is the definition of "family member"?

Generally, succession rights are afforded to family members who have resided as a primary resident in the apartment for at least two years (one year for family members who are senior citizens or disabled) prior to the death of, or the permanent vacating of, the apartment by the tenant. A "family member" is defined as a spouse, son, daughter, stepson, stepdaughter, father, mother, stepfather, stepmother, brother, sister, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law or daughter-in-law of the tenant.

The definition of a family member also includes any other person residing with the tenant in the housing accommodation as a primary resident, who can prove emotional and financial commitment and interdependence between such person and the tenant. See Fact Sheet #30.

My building owners did not offer me a timely lease renewal, as they thought that I no longer used the apartment as my primary residence. They did not prove this in court and now they have to offer me a renewal lease. When does it commence and what are my rights?

Renewal leases are required to be offered between 90 and 150 days prior to the expiration of a lease. In this situation, the owners would offer a renewal lease less than 90 days prior to the expiration of the existing lease. Therefore, the tenant has the option of requesting that the lease be dated to start on (1) the date a renewal lease would have begun had a timely offer been made or (2) on the first rent payment date occurring at least 90 days after the date that the owner does offer the lease to the tenant.

The guideline increase to be charged can never be more than the rate in effect on the date in option (1). Whether the tenant chooses option (1) or (2), the new rent shall not go into effect before the first rent payment date occurring at least 90 days after the offer is made.

Is a building owner required to provide a tenant with an itemized bill?

Owners are not required to provide rent stabilized tenants with itemized rent bills. Owners are required to provide rent controlled tenants with a bill that itemizes the fuel cost adjustment separate from the rent.

May an owner collect a lease or maximum collectible rent increase from a tenant when a DHCR rent reduction order for decrease in services is still in effect?

If the rent reduction order was issued to a rent stabilized tenant, the owner cannot collect a renewal lease rent increase from that tenant or a vacancy lease increase from the next tenant, but can calculate the increase in the new lease. The rent that is collected will remain frozen until DHCR issues a rent restoration order.

If the rent reduction order was issued to a rent controlled tenant, only rent reductions for essential services (See Policy Statement 90-1) bar the maximum collectible rent from being increased until DHCR issues a rent restoration order. If the rent controlled tenant vacates the apartment, a fair market rent set for the incoming rent stabilized tenant can be charged, but no other rent increases can be collected until DHCR issues a rent restoration order.

Are tenants required to pay NYC Sales Tax to the owner on a garage/parking space that is subject to Rent Stabilization?

The NYC Sales Tax can be collected if the tax was actually imposed on the owner for the garage/parking space and the garage/parking space was provided to the tenant in a charge separate from the apartment rent. It can never be calculated on the apartment rent.

Are the spouses in lawfully performed same sex marriages, entitled to the same rent protections applicable to spouses in lawfully performed opposite sex marriages?

Yes. This will broaden the scope of both how succession rights can apply and the right to include the name of a spouse on the lease.

Can a tenant in a rent regulated apartment take in a roommate and is there a limit on the rent that the roommate can be charged?

When only one tenant is named on a lease, the tenant has the right to take in a roommate and the roommate's dependent children. When two or more tenants are named on the lease, the number of tenants and roommates cannot exceed the number of tenants named in the lease. In all situations, occupancy may be restricted in order to comply with municipal regulations concerning overcrowding. In a rent stabilized apartment, the rent collected from the roommate cannot exceed their proportionate share of the apartment. For example, one tenant named on a lease can take in one roommate and the roommate can be charged no more than half of the legal rent. The roommate can be advised to file a complaint of rent overcharge with DHCR if they were charged in excess of that proportionate share.

With regard to a rent controlled apartment, a roommate may not be charged an amount of rent that is in excess of the legal rent for the apartment. Any determination of a rent overcharge is under the jurisdiction of the civil court.

How is the <u>legal rent</u> adjusted when an MCI order is issued after a renewal lease had been executed?

If the effective date of the MCI order is before September 30 (the date used for calculating guideline adjustments), the renewal lease increase may be recalculated based on the higher legal rent, which now includes the entire dollar amount of the MCI rent increase. This will result in a larger renewal lease increase. The affected lease(s) does not have to be reissued, but the owner must give the tenant a statement showing the rental recalculation.

If the effective date of the MCI increase is after September 30, the increase in the legal rent will not be compounded by the guideline adjustment(s) until the next lease renewal.

The actual rent paid by the tenant is subject to an annual MCI rent increase cap (6% in NYC; 15% outside of NYC).

The owner of a Rent Controlled apartment failed to charge the washing machine appliance surcharge within a reasonable time after becoming aware of the installation. Did the owner waive the right to collect the surcharge?

No. However, the owner must seek the approval of DHCR by filing Form RN-79b. Once DHCR issues an order of approval, the surcharge is collectible prospectively only and not retroactive to the time of installation.

Does a tenant in a rent stabilized apartment have the right to add their spouse's name to the lease?

Yes. The tenant has the right, upon request to the owner, to have the name of his or her spouse added to the lease as an additional tenant, if the spouse resides in the apartment as a primary residence. There is no rent increase associated with this change, other than the approved renewal lease increase rates in effect at the time of renewal.

High-Rent Vacancy Decontrol & High-Rent High-Income Decontrol

An apartment subject to Rent Control is vacated. The owner calculates a legal rent above \$2,500 for the incoming tenant and is considering charging the tenant a preferential rent of less than \$2,500. (a) Can the owner charge a preferential rent? (b) Is the apartment deregulated?

- (a) No. There cannot be a "preferential rent" during the term of the initial rent stabilized lease. If a rent of less than \$2,500 is actually paid by the tenant, this rent amount becomes the legal rent, even if a rent of \$2.500 or more is cited in the lease.
- (b) The apartment is deregulated only if the rent that is at or above \$2,500 was lawfully calculated and is paid by the tenant. The tenant can challenge it with DHCR.

Services and Harassment

If a tenant received a service reduction order, how can he or she calculate the reduced rent for a rent stabilized apartment?

On the effective date specified in the Order, the legal regulated rent is reduced to the level in effect prior to the most recent guidelines increase. For example, if the most recent guideline increase was 2% for a one year lease and the legal regulated rent was \$510.00 per month under a one year renewal lease beginning on October 1, 1998, a rent reduction ordered on December 1, 1998 would reduce the rent to \$500 per month. See Fact Sheet #14.

What can an owner do to obtain necessary access to make necessary repairs and avoid rent decreases or restore a rent reduction?

The owner needs to submit two copies of letters to the tenant attempting to arrange for access. Each letter must be mailed at least eight days prior to the proposed access date, and must be mailed by certified mail, return receipt requested. RSC 2523.4 (d) (2).

What services are owners required to provide?

An owner must provide and maintain all services and equipment furnished or required by Rent Control or Rent Stabilization regulations which include repairs, heat and hot water, maintenance, painting and janitorial services. This may include services that were provided but not registered by the owner on the Initial Apartment Registration, form RR-1(i) or, the Initial Building Services Registration, form RR-3 (i). See <u>Fact Sheet #3.</u>

What recourse does a tenant have when an owner is not maintaining services? If services are not being maintained the tenant must first inform the owner in writing. If services are not restored, the tenant may file an Application For A Rent Reduction Based Upon Decreased Service(s) - Individual Apartment (form RA-81) with DHCR based on a decrease of services. See Fact Sheet #14.

What can a tenant do when an owner does not comply with a DHCR service reduction order?

If an owner has failed to restore services and/or correct the conditions specified within 30 days after the issuance date of the order, the tenant may file a Tenant Affirmation of Non-Compliance (form RA-22.1), to request that a compliance proceeding be initiated.

How are tenants protected from harassment by owners?

Harassment by an owner is a course of action intended to force a tenant out of his/her apartment or to cause a tenant to give up rights granted to the tenant by the Rent Laws.

No owner or anyone acting on behalf of the owner or as the owner's agent may interfere with a tenant's privacy, comfort or quiet enjoyment of the tenant's apartment. Interference includes reducing services or engaging in baseless court proceedings.

Harassment is a serious violation of a tenant's rights. If a tenant believes they are a victim of harassment, they can file a Tenant's Statement of Complaint(s)-Harassment (form RA-60H), with DHCR. Upon a DHCR finding of harassment, a civil penalty may be imposed on the owner. See <u>Fact Sheet #17.</u>

The noise and cigarette smoke from the tenant in the apartment next to me is a constant disturbance. What are my rights?

Tenants can contact the owner and ask for assistance, as most standard leases give tenants the right to the "peaceful possession" of the apartment.

Tenants can also contact a local mediation center in order to pursue a mediated resolution with the neighboring tenant.

An owner wants to renovate a building and asks the tenant to temporarily relocate. The renovations are not compelled by an emergency situation. Must the tenant relocate? The tenant does not have to relocate, unless so ordered by DHCR, another government agency or a court.

How does a tenant reduce the rent for an order finding a decrease in services, when a preferential rent has been paid by the tenant?

If the tenant's current and prior lease contained a legal rent and also provided for the payment of a preferential rent, the rent is reduced to the prior lease's preferential rent.

If the tenant's current lease only contains a legal rent, even if the prior lease provided for a preferential rent, the rent is reduced to the prior lease's legal rent.

Many rent-regulated tenants, who do not have cable television service, receive TV broadcasting through an analog Building Master Television Antenna. Federal law now requires a transition from analog to digital television broadcasting. How does this affect the service of Master Television Antenna, where said antenna is a required service?

The owner needs to find a technological alternative or upgrade, such as a new, updated master antenna, that enables tenants to continue to have television service. Tenants are responsible to purchase, at their expense, analog-to-digital converter boxes for their televisions. For more information on the analog-to-digital switch, log on http://www.fcc.gov/digital-television. See

Fact Sheet #3 - "Required and Essential Services"

Fact Sheet #14 - "Rent Reductions for Decreased Services"

Opinion Letter of January 27, 2009

Major Capital and Individual Apartment Improvements

What is the basis of Major Capital Improvement (MCI) rent increases?

Major Capital Improvement (MCI) increases are allowed by law and regulation and have been upheld by the courts. The legislature has directed that the increases continue to be a part of the rent to provide an incentive for owners to improve New York State's housing stock. For more information about MCIs see <u>Fact Sheet #24</u>.

What are the differences between an Individual Apartment Improvement (IAI) increase and a Major Capital Improvement (MCI) increase?

An owner may increase the rent for an improvement to an individual apartment (e.g. new stove, refrigerator, etc.) without approval from DHCR. However, the owner must have the written consent of the tenant in occupancy to collect the rent increase, and for a rent-controlled apartment, the owner must send a written notice of the rent increase to DHCR on form RN-79b, Owner's Notice Of A Rent Increase Based On Increased Services /New Furnishings /Equipment / Painting; And Tenant's Statement Of Consent. For improvements made while an apartment is vacant, the written consent of the new tenant is not required.

An owner must file an Owner's Application For Rent Increase Based On Major Capital Improvements (MCI) (form RA-79) with DHCR to increase the rent for a Major Capital Improvement which benefits the entire building. The consent of the tenants is not required. The owner, however, must first receive approval from DHCR prior to collecting this increase. The rent increase will be apportioned among the tenants on a per room per month basis. See <u>Fact Sheet #24 & Fact Sheet #12</u>.

Where a tenant must vacate a rent-regulated apartment because of a fire or vacate order issued by a government agency, is the owner entitled to a rent increase where the apartment has been restored and the subject tenant moves back in?

Not where the owner simply restores the apartment to its previous condition. This is true even where the owner has not been fully reimbursed by insurance proceeds. However, where the owner installs new equipment not previously provided in the apartment, such owner can charge an IAI rent increase, but only if the tenant moving back in provides the owner with her written consent to the rent increase. If written consent is not provided, then the rent cannot be increased.

Where the tenant decides not to move back into the apartment, and a new tenant is going to move in, then the owner would be entitled to add the IAI rent increase for any new piece of equipment not previously provided where such prior tenant did not provide written consent. However, this rent increase would only apply to new equipment not previously provided in the apartment, not the cost of restoring the apartment to its previous condition.

How is the <u>legal rent</u> adjusted when an MCI order is issued after a renewal lease had been executed?

If the effective date of the MCI order is before September 30 (the date used for calculating guideline adjustments), the renewal lease increase may be recalculated based on the higher legal rent, which now includes the entire dollar amount of the MCI rent increase. This will result in a larger renewal lease increase. The affected lease(s) does not have to be reissued, but the owner must give the tenant a statement showing the rental recalculation.

If the effective date of the MCI increase is after September 30, the increase in the legal rent will not be compounded by the guideline adjustment(s) until the next lease renewal.

The actual rent paid by the tenant is subject to an annual MCI rent increase cap (6% in NYC; 15% outside of NYC).

Evictions

Must the owner apply to DHCR to evict a rent regulated tenant before proceeding to court?

Where a tenant fails to pay rent, is causing a nuisance, damaging the apartment or building, or committing other wrongful acts, the owner may proceed directly to court after the service of the proper notices. Some special grounds, such as the owner seeking to demolish the building, do require that the owner first receive approval from DHCR. To obtain DHCR approval the owner should file form RA-54, Owner's Application for Order Granting Approval To Refuse Renewal Of Lease And/ Or To Proceed For Eviction.

May an owner evict a tenant from a rent regulated apartment for owner occupancy?

Yes, however the owner must apply for a certificate of eviction from DHCR on the Owner's Application For Order Granting Approval To Refuse Renewal Of Lease And/ Or To Proceed For Eviction (form RA-54) prior to proceeding to court to evict a rent controlled tenant. If the owner requires an apartment occupied by a rent stabilized tenant, the owner need not apply to DHCR but may proceed directly to court after the service of the proper notices. In both cases there are protections for senior citizens and disabled persons against eviction for owner occupancy. See Fact Sheet #10.

Can a rent-regulated tenant who has to stay in a nursing home for an extended period of time be evicted?

The matter is not under the jurisdiction of DHCR. This situation is reviewed by the courts and is decided on a case-by-case basis. Historically, the courts have included as part of their consideration the length of time spent in the nursing home, evidence of an intention to return to the apartment, the tenant's medical prognosis and whether the tenant's possessions have been removed from the apartment.

Rights of Senior Citizens and Disabled Persons

Do the Rent Laws provide any special rights for disabled persons?

The Rent Laws provide certain protections to disabled tenants and/or their spouses against eviction based on owner occupancy. See <u>Fact Sheet #20.</u>

Does a Senior Citizen on a fixed income have any protection against rent increases? Eligible Senior Citizens with a fixed income may qualify to have their rent frozen under the S.C.R.I.E program. In NYC, tenants may contact the NYC Department of Finance at 311. Tenants living in Nassau County and Westchester County may call DHCR at (914) 948-4434 to obtain an application and to inquire about their municipalities income and eligibility levels. See Fact Sheet #21.

Last Updated: 07/29/14

NOTES