



**Homes and
Community Renewal**
Office of Rent Administration

2019 ANNUAL REPORT

Andrew M. Cuomo, Governor
RuthAnne Visnauskas, Commissioner/CEO

2019 ANNUAL REVIEW

OFFICE OF RENT ADMINISTRATION

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About the Office of Rent Administration

Several communities in New York State have rent regulation programs known as rent control and rent stabilization. These rent regulation programs, administered by New York State Homes and Community Renewal's (HCR) Office of Rent Administration (ORA), position New York as a national leader in the preservation of affordable housing. There are approximately 950,000 rent regulated units in 45,000 buildings across New York City and its suburbs.

Rent control is the older of the two systems of rent regulation. The program originated in New York City dating back to the housing shortage immediately following World War II and generally applies to buildings constructed before 1947. By contrast, rent stabilization commonly covers buildings built after 1947 and before 1974, and apartments that have been removed from rent control. Outside of New York City, rent stabilization was authorized under the Emergency Tenant Protection Act (ETPA) of 1974.

ORA Mission

ORA is committed to effectively administering New York State's rent laws in order to maintain decent, affordable housing for millions of New Yorkers. The laws and regulations are designed to afford owners an adequate return on investment while protecting tenants from unlawful rent increases, harassment, and illegal evictions in a market with a persistent shortage of quality, affordable rental housing. As the administrator of the laws and custodian of all rent registration records, ORA is responsible for responding to applications and legitimate inquiries of tenants and owners of the nearly one million regulated apartments in New York City and other parts of the state.

TPU Mission

The Tenant Protection Unit preserves affordable housing by detecting and curtailing patterns and practices of landlord fraud and harassment through audits, investigations, and impactful legal actions. The TPU also encourages compliance by informing tenants and owners of their rights and responsibilities under rent regulation.

Letter from the Commissioner/CEO

Dear Friends:

For more than 75 years, New York's system of rent regulation has aimed to keep apartments affordable by balancing the rights of more than two million tenants to safe affordable housing with an owner's responsibility to maintain their property while earning a fair return on their investment.

Under Governor Andrew Cuomo's leadership, and in partnership with the Legislature, New York has made great strides in strengthening the laws governing rent regulation so that they work better and more efficiently than ever before.

On June 14th, Governor Cuomo signed the Housing Stability and Tenant Protection Act (HSTPA), a package of laws which enacted sweeping changes to rent regulation and reinforced tenant protections.

As administrator of the rent laws, our Office of Rent Administration (ORA) and Tenant Protection Unit (TPU) are committed to working with both tenants and owners to maintain this important supply of affordable housing. ORA has enhanced communications, developed online application access, and launched NYS Rent Connect, an online service and self-help assistant that modernizes and simplifies how tenants and owners of rent-regulated units interact with our staff. And to date, the Tenant Protection Unit has returned more than 80,000 rent regulated units to the rent rolls and recovered more than \$5 million in overcharged rent for tenants.

I want to thank Deputy Commissioner Woody Pascal, Acting Deputy Commissioner Greg Fewer, and ORA and TPU staff for their continued leadership in preserving affordable housing in New York State. This dedicated team has been working diligently to ensure the new rent laws are as effective as possible and that both tenants and owners have the information they need.

Sincerely,

RuthAnne Visnauskas

Commissioner/CEO of New York State Homes and Community Renewal

Key HCR Senior Staff

RuthAnne Visnauskas - Commissioner/CEO - NYS Homes and Community Renewal

In February 2017, Governor Cuomo appointed RuthAnne Visnauskas Commissioner and Chief Executive Officer of New York State Homes and Community Renewal, the agency charged with carrying out the Governor's unprecedented five-year Housing Plan that is creating and preserving more than 100,000 affordable homes and 6,000 supportive homes across New York.

RuthAnne previously served as HCR's Executive Deputy Commissioner for Housing Development, where she was responsible for strategic leadership and oversight of multi-family housing finance programs, the State of New York Mortgage Agency, the Mortgage Insurance Fund, the Office of Community Renewal, and the Office of Faith-Based Community Development Services.

Prior to joining HCR, RuthAnne was managing director of the Housing Advisory Board for the Robin Hood Foundation, New York's largest poverty-fighting organization. The Housing Advisory Board was established to fund initiatives to advance the quantity and quality of affordable housing for low-income New Yorkers. RuthAnne also held several key positions at the New York City Department of Housing Preservation and Development (HPD), including the role of Commissioner from September 2013 to February 2014.

She received a Bachelor's degree in urban studies from the University of Pennsylvania and holds a Master's degree in urban planning from the Robert F. Wagner School of Public Service at New York University.

Betsy Mallow - Executive Deputy Commissioner/COO - NYS Homes and Community Renewal

Betsy Mallow is Executive Deputy Commissioner and Chief Operating Officer for HCR. In her role, Betsy oversees the Office of Rent Administration (ORA), the Office of Professional Services and the Governor's Office of Storm Recovery (GOSR).

Prior to joining HCR, Betsy served as Deputy Executive Director at GOSR, overseeing New York State's recovery from Superstorm Sandy, Hurricane Irene and Tropical Storm Lee. Prior to her role at GOSR, she served as Deputy Director of the New York Office for the White House Task Force on Sandy Rebuilding.

Previously, Betsy was a consultant at the Boston Consulting Group. Betsy holds an MBA from Harvard University and an undergraduate degree from Brown University.

Linda Schechter Manley - General Counsel

Linda Schechter Manley is General Counsel for HCR where she is responsible for the agency's Legal Division, the Tenant Protection Unit, the Office of Economic Opportunity and Partnership Development, and the Fair and Equitable Housing Office. Previously, Linda served as Acting General Counsel beginning May 2016.

Prior to joining HCR in January 2016 as Deputy General Counsel, Linda was Legal Director at Lawyers Alliance for New York, providing legal services to nonprofit organizations focused on affordable housing, economic development and social services.

Linda previously practiced law at the firms Jones, Day, Reavis & Pogue and Weil, Gotschal & Manges, and also served as a law clerk to Hon. Loretta A. Preska in the Southern District of New York.

She received her J.D. from Fordham University School of Law and B.A. magna cum laude from State University of New York at Albany.

Woody Pascal - Deputy Commissioner of HCR's Office of Rent Administration

Woody Pascal is the Deputy Commissioner of ORA where he oversees the day-to-day operations of the office's four bureaus and ensures effective intra-agency coordination. Most recently, he led the Office's efforts to introduce online services and expand access to applications, and upgrade communications with owners and tenants. Additionally, he developed a new agency web-based data system and cross training opportunities with the New York City Department of Housing Preservation & Development.

Prior to joining Homes and Community Renewal in 2009 as the Special Assistant to the Commissioner, Woody served as the Chief Executive Officer of the New York State Liquor Authority and held a variety of senior staff positions in the New York State Senate, New York State Assembly, and New York City Council. He also served as acting unit head for the Office of Fair Housing and Equal Opportunity, monitoring the progress of access to Fair Housing initiatives.

Woody is a Haitian-American and a founding member of the Haitian Roundtable, an organization comprised of Haitian-American professionals who are committed to civic engagement as well as philanthropic endeavors benefiting Haiti, Haitian organizations, and causes.

Woody is a graduate of John Jay College of Criminal Justice.

Gregory C. Fewer, Acting Deputy Commissioner Tenant Protection Unit

Greg Fewer is a seasoned veteran of HCR. In his previous assignment as the Director of Policy and Legislative Liaison his work encompassed: the drafting of new regulations and legislation; the review of court decisions and pending bills for potential impact on agency operations; acting as agency liaison to federal, state, and local government officials; representing the HCR Commissioner at public forums; and supervising a staff of attorneys and paralegals in the drafting of formal agency opinion letters on behalf of the Commissioner. He also served as the Director of the Administrative Review Unit of the Major Capital Improvement Bureau where he supervised a staff of attorneys and paralegals in the adjudication of administrative appeals of landlords and tenants.

Greg was a member of the U.S. Armed Forces, serving in the Army, Air Force, Navy and National Guard. He recently retired from the Army Reserve with the rank of Colonel. He was mobilized to active duty from 2004-2006 and served as the officer-in-charge, JAG Desk, Crisis Action Team, Army Operations Center, in the Pentagon. From 2009-2013 he was again mobilized to serve as the deputy director of operations for the Office of the Military Commissions – Convening Authority, Department of Defense, in Washington, DC and Guantanamo Bay, Cuba. In 2016, Greg was the recipient of the City & State Honoring Veterans Award.

Mr. Fewer received a JD from New York Law School and a BA in English from St. Francis College.

ORA Senior Staff

Woody Pascal, Deputy Commissioner
Office of Rent Administration

Bruce Falbo, Bureau Chief
Rent Information Bureau

John D. Lance, Bureau Chief
Stabilized Tenancy and Rent Review (STARR) Bureau

Sarah L. McCray, Deputy Bureau Chief
Stabilized Tenancy and Rent Review (STARR) Bureau

Anthony J. Tatano, Bureau Chief
Property Management Bureau

April Gray-Huertas, Deputy Bureau Chief
Property Management Bureau

Simone-Marie L. Meeks, Assistant Commissioner
Rent Control/ETPA

Michael Berrios
Executive Assistant to the Deputy Commissioner

TPU Senior Staff

Gregory C. Fewer, Acting Deputy Commissioner
Tenant Protection Unit

Lewis Gray, Director
Audit/Investigatory

Argyro Boyle, Acting Legal Director
Legal

Harvey Akerman, Director
Forensic Analysis





Office Of Rent Administration's Structure

The Office of Rent Administration is made up of four bureaus:

Rent Control/ETPA Bureau

The Rent Control/ETPA Bureau contains three units.

Cyclical Cases Unit – Processes Maximum Base Rent (MBR) cases as well as challenges.

Owner Individual Unit – Processes rent control overcharge complaints as well as filings for rent increases.

Research and Analysis Unit – Provides the Cyclical Cases Unit with the biennial MBR Standard Adjustment Factor; responsible for providing statistical support to the Westchester, Nassau and Rockland County Rent Guidelines Boards. Research and Analysis is also responsible for the Online Maintenance and Operations Survey often requiring that they submit suggested system enhancements to Information Technology Services staff.

Rent Information Bureau

The Rent Information Bureau provides direct service to the public through several units. The bureau maintains a centralized telephone Rent Info Line and answers approximately 3,000 calls monthly. The Bureau receives 1,500 emails per month and maintains five New York City-based Borough Rent Offices and a Westchester County District Rent Office that together assist 2,700 citizens each month. The Westchester office also processes applications for senior citizens and disability rent increase

Emergency Tenant Protection Act

Outside New York City, the county rent guideline boards determine the maximum allowable rates of rent increases under the Emergency Tenant Protection Act (ETPA).

In Nassau, Rockland, and Westchester counties, rent stabilization applies to non-rent-controlled units in buildings of six or more units built before January 1, 1974 in localities that have declared an emergency and adopted ETPA. For rents to be placed under regulation, there must be a rental vacancy rate of less than 5% for all or any class or classes of rental housing accommodations. Some municipalities limit ETPA to buildings of a specific size, for example, buildings with 20 or more units.

Per the enactment of the HSTPA on June 14, 2019, any locality in New York State can enact rent stabilization if “a declaration of emergency” regarding available apartments is made in the subject locality pursuant to the ETPA of 1974. “A declaration of emergency” can be made based on the kind of vacancy rate cited.

Maximum Base Rent System

In New York City, rent control operates under the Maximum Base Rent system. An MBR is established for each apartment and adjusted every two years to reflect changes in operating costs. Owners, who certify that they are providing essential services and have removed violations (if any), are entitled to raise rents by an average of the previous 5 years of approved one-year RGB increases. Tenants may challenge the proposed increase on the grounds that the building has violations or that the owner’s expenses do not warrant an increase.

Rent control limits the rent an owner may charge for an apartment and sets restrictions on the ability of owners to evict tenants. Tenants are also entitled to receive essential services. Owners are not required to offer renewal leases, as tenants are considered “statutory” tenants. Tenants may file relevant complaints on a variety of forms created by ORA. ORA is required to serve the complaint on the owner, gather evidence, and then issue a written order.

exemptions for tenants in Westchester and Nassau counties.

The Rent Information Bureau is also responsible for creating printed material such as applications and information on owner and tenant rights, as well as providing access to apartment and building rent registration information. Staff also attend community and legislator-sponsored meetings, answering questions and providing general information. Information to callers can be provided in multiple languages through a Language Line. Over 25 vital documents are translated into various languages.

Improved Translation Services

The Rent Information Bureau operates the ORA phone line (718) 739-6400, which has been revised to offer clients a wide range of recorded messages that address frequently asked questions. Callers who need to talk to an information agent can also utilize translation services provided in over 100 languages. We've also made it possible to translate any information on HCR's website into seven most-requested languages.

Stabilized Tenancy & Rent Review Bureau

The Stabilized Tenancy & Rent Review (STARR) Bureau processes overcharge, lease renewal, fair market rent appeal and improper eviction complaints from tenants and certain applications by owners.

The Bureau also processes Requests for Reconsideration of Petitions for Administrative Review (PAR) orders that are issued by all PAR Units in the Office of Rent Administration. For the PAR order to be reconsidered, the Unit must find that the order resulted from "an illegality, an irregularity in a vital matter, or fraud." This permits the agency to correct a significant error or omission without requiring the requestor, tenant, or owner, to commence an expensive court action.

Rent stabilized tenants can now file overcharge and lease violation complaints online using NYS Rent Connect. (rent.hcr.ny.gov)

Property Management Bureau

The Property Management Bureau processes building-wide owner applications for rent increases based on Major Capital Improvements, hardship rent increases, tax abatement offsets and owner applications for modification of building-wide services. The Bureau also processes tenant applications related to the maintenance of both individual apartment and building-wide services, tenant complaints of harassment and tenant complaints of non-compliance with ORA orders. In addition, the bureau makes administrative determinations where the legal rent or other facts are in dispute, in doubt or unknown. The Bureau also oversees the Inspections Unit for ORA.

The Major Capital Improvement (MCI) Unit – Processes applications from owners who have made building-wide improvements

such as the replacement of boilers, roofs, and windows. The improvements must be for the "operation, preservation and maintenance of the building" and must meet all other criteria established for an MCI rent increase. The MCI unit reviews applications for all rent regulated buildings throughout New York city and the localities which have adopted

Major Capital Improvement Review

During the past fiscal year, ORA received 1,039 applications related to the investment in major capital improvements and modernization of the housing stock in rent regulated buildings. It processed over 1,300 applications in excess of \$308 million dollars. After review, costs of \$274 million dollars were allowed.

ETPA in Nassau, Westchester and Rockland counties, auditing the scope of work and costs of projects.

The Multi-Services Unit

Responsible for many case types:

- Tenant complaints of service reductions located outside of New York City;
- Cases where the rent or status of an apartment is in controversy;
- Tax abatement offsets which order owners who have received MCI rent increases and J-51 tax abatements to share a portion of the tax abatement with tenants;
- Administrative Investigations where unannounced inspections result in orders requiring owners to make repairs.

The Services Unit

Processes tenant applications for rent reductions based upon defective conditions in an individual apartment. This includes situations in which the owner has failed to provide or maintain services or equipment in the apartment and/or building wide.

The Compliance Unit

Pursues recalcitrant owners who do not comply with agency orders and takes action against owners to make repairs or issue leases as ordered and pay a civil penalty. Owners who do not comply are referred to the Enforcement Unit for prosecution and formal hearings. Fines can be levied as a result of a delay in making repairs or issuing a lease.

The Enforcement Unit

Staffed by attorneys, the Enforcement Unit pursues owners who are non-compliant to agency orders. The Unit investigates, and if necessary, prosecutes complaints of tenant harassment by the owner. Where an owner has been found guilty of harassment, civil penalties may be imposed. In the majority of cases, staff attorneys are able to resolve the issues brought forward and have collected fines from owners for past behavior. In 2018, total penalties were over \$450,000.

The Inspections Unit

Conducts field inspections of housing accommodations throughout the five counties of New York City as well as Rockland, Westchester and Nassau counties. Field inspections are conducted to examine and evaluate housing conditions and to obtain or verify information pertinent to the disposition of applications filed by landlords or tenants under the provisions of various rent control and rent stabilization laws and regulations.



Tenant Protection Unit Organization

The Tenant Protection Unit (TPU), created in 2012, proactively enforces the rent regulation laws in New York State by investigating leads and referrals from tenants, advocates, partners in city and state government, and through TPU’s own forensic analysis capabilities.

Currently, TPU has three primary mechanisms for shielding tenants from harassment and preserving affordable housing:

- The registration initiative;
- Audits of claimed individual apartment improvements (IAIs); and
- Legal investigations of alleged tenant harassment.

It should be noted, however, that as a result of the passage of the HSTPA in 2019, TPU’s enforcement model is evolving.

Registration Initiative

TPU’s on-going registration compliance initiative seeks to recapture illegally deregulated units by identifying buildings that have failed to file their annual registration. To date, the initiative has returned more than 80,000 rent regulated units to the rent rolls.

Audits of Individual Apartment Improvements (IAIs)

TPU’s IAI Audit Initiative successfully weeds out fraudulent IAIs and unlawful rent increases. Where an unusual IAI rent increase is identified, TPU’s audit team will analyze records supporting the claimed rent increase and, when appropriate, work with the landlord to have any overcharges due to the tenant paid and the apartment registration corrected. When a settlement cannot be reached, TPU can file an overcharge case with ORA. The audit of IAIs has resulted in the recovery of over \$5 million in overcharged rent for unsuspecting tenants.

Legal Investigations

TPU conducts complex legal investigations and has entered into several comprehensive portfolio-wide settlement agreements with landlords who were systematically harassing rent-regulated tenants. Since 2012, TPU has opened at least 326 investigations including several high-profile matters that were litigated, referred to law-enforcement partners, resulted in the issuance of TPU subpoenas, or lead to rent audits. For example, in 2019 TPU filed a comprehensive complaint against the landlord Zara Realty, Inc. alleging systemic violations of the rent regulations designed to harass tenants and exploit money from vulnerable tenants. In addition to its enforcement activities, TPU works with community organizers, legal services organizations, and tenant groups to hold tenant workshops and resource fairs to educate tenants about their rights under the rent regulation laws.

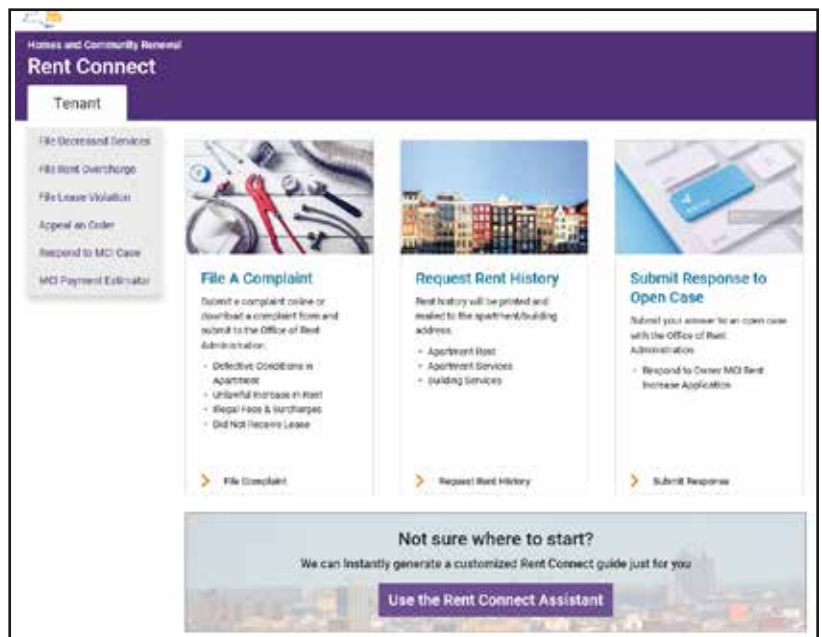
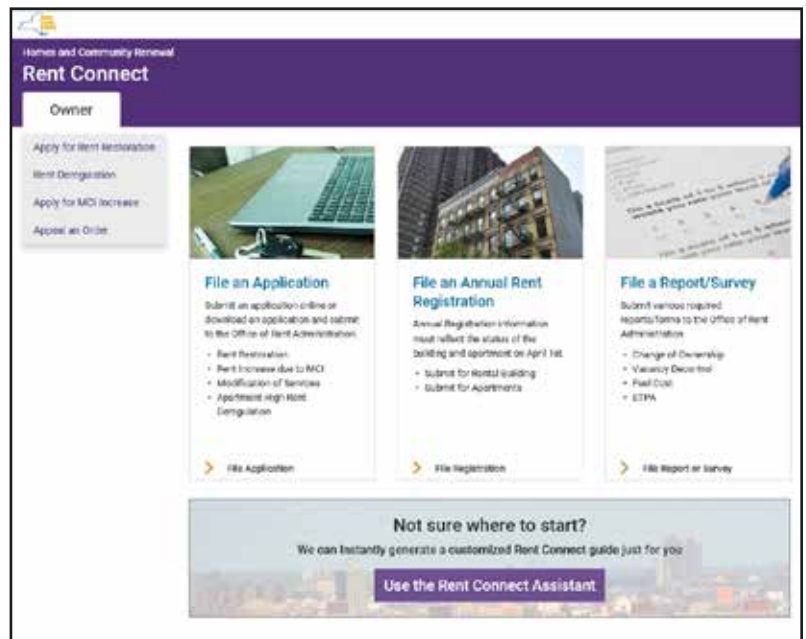
Technology Improvements

ORA continuously works to enhance its services and make it easier and more efficient for tenants and owners to interact with ORA and obtain the information they need.

This year, ORA launched NYS Rent Connect, a new online service and self-help assistant that modernizes and simplifies how New York tenants and owners of rent-stabilized and rent-controlled apartments interact with ORA.

Key Benefits of NYS Rent Connect

- **Online submissions**
- **Tenants, owners, and their representatives can complete applications online related to:**
 - Lease issues;
 - Overcharge complaints;
 - Defective conditions in apartments;
 - Owner's application to restore rent.
- **Major Capital Improvement cases**
 - Responses to open MCI cases can now be filed online;
 - Tenants, owners, and their representatives can estimate the impact of an MCI increase on the monthly rent amount using the MCI Payment Estimator tool.
- **NYS Rent Connect Assistant**
 - A self-help tool offering easy access to records and forms, current rent increase information, and other general information.

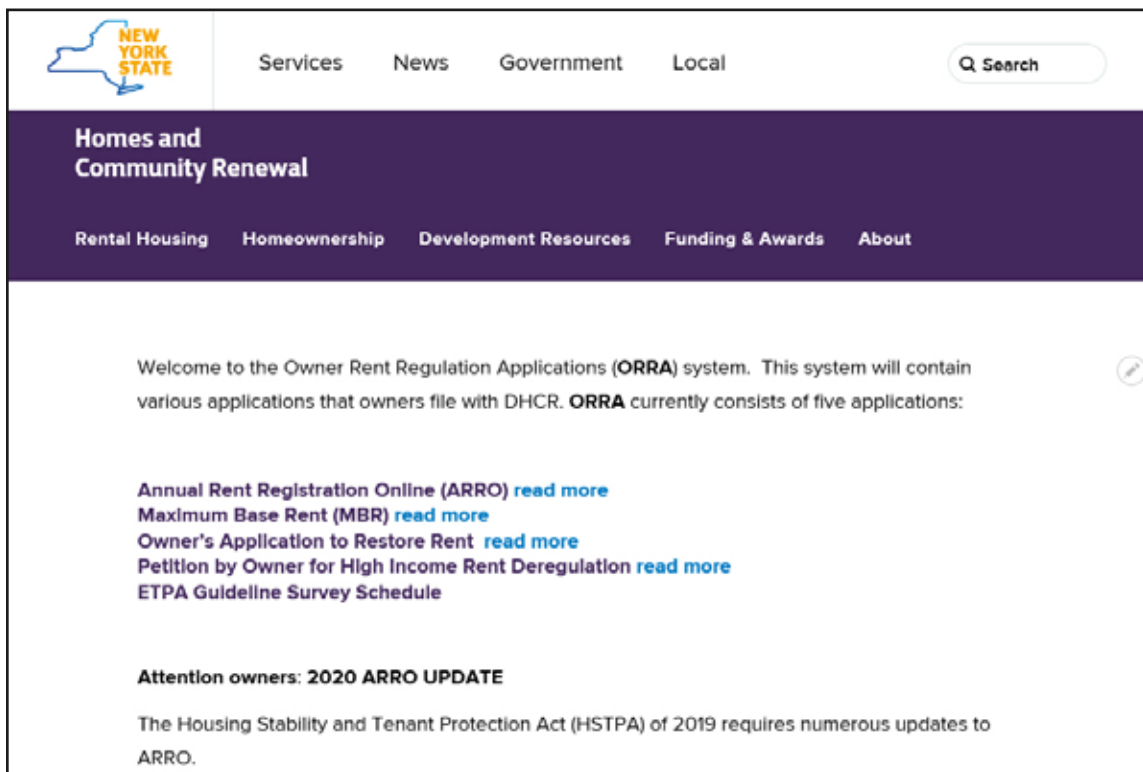


Visit rent.hcr.ny.gov

Online Application Center for Owners - Owner Rent Regulation Applications

The Owner Rent Regulation Applications system allows owners to file various applications online using the same User ID and Password. The following are applications currently available and those that are in the planning stages:

- **Annual Rent Registration**
The Annual Rent Registration Online allows owners to register annual rent registrations for rent regulated properties. Owners who file annual rent registrations online can now print rent rolls online. In addition, ORA is in the process of developing a system that will allow owners to print individual apartment registration histories.
- **Owner's Application to Restore Rent**
ORA created an online application for owners who wish to have apartment rents restored when they have completed previously ordered repairs. This application is used to file an Owner's Application to Restore Rent based on a restoration of services that were deemed not maintained by a rent reduction order that was filed after Jan. 1, 2000.
- **ETPA Survey**
Owners may now submit online the Property Maintenance & Operations Cost Survey Schedule for submission to the Nassau, Rockland and Westchester counties Rent Guidelines Boards.





Contact Us

ORA is Here to Help

Tenants and owners can call the Rent Info Line at 718-739-6400 or visit HCR at <https://hcr.ny.gov/office-rent-administration-ora> for information on:

Tenants

- Accessing apartment rent history;
- Limits on rent increases;
- Overcharge refunds for rent stabilized tenants;
- Rent reductions for failure to provide services;
- Lease renewal options.

Owners

- Lawful charges for rent, MCI, air conditioners, and appliances;
- Rent registration forms and building-wide rent rolls;
- Maintaining services.

Borough and District Rent Offices

The Borough and District Rent Offices provide information and assistance to tenants and owners of rent controlled and rent stabilized apartments. Tenants can request registered rent histories of their apartment as well as information about cases that may affect their rent. In addition, they can access fact sheets and forms on many topics including rent overcharges, leases, services and security deposits.

Owners can request registered rent rolls for the building, case information and related copies of orders. They can also receive technical assistance in completing rent registration forms and applications pertaining to MCIs, rent restoration, and rent control-fuel and MBR reports.

Bronx Borough Rent Office

1 Fordham Plaza, 4th floor
Bronx, New York 10468

Lower Manhattan Borough Rent Office

25 Beaver Street, 5th Floor
New York, New York 10004

Upper Manhattan Borough Rent Office

Adam Clayton Powell, Jr. State
Office Building

163 West 125th Street, 5th Floor
New York, New York 10027

Brooklyn Borough Rent Office

55 Hanson Place, 6th floor
Brooklyn, New York 11217

Queens Borough Rent Office Gertz Plaza

92-31 Union Hall Street, 6th Floor
Jamaica, New York 11433

Westchester County Rent Office

75 South Broadway, 3rd Floor
White Plains, New York 10601

TPU is Here to Help

To contact TPU, call 212-872-0788 or email at TPUinfo@nyshcr.org.



Housing Stability & Tenant Protection Act of 2019

The Housing Stability & Tenant Protection Act of 2019, enacted on June 14th, is a comprehensive update of New York's rent regulation laws.

High-Rent/High-Income Decontrol

- Apartments can no longer be removed from rent stabilization because their rents exceed a certain amount or because the tenant's income rises above a certain amount.
- The high-rent vacancy decontrol provision, ending rent regulation for an apartment when the rent for that apartment crossed a set threshold and the unit became vacant, has been repealed.
- The high-income vacancy decontrol provision, ending rent regulation for an apartment when a tenant's income is \$200,000 or higher in the preceding two calendar years and rent for that apartment crossed a set threshold, has been repealed.
- There is an exception for market rate units with a 421-a(16) tax abatement, which will continue to be treated as they were under the prior version of the law.
- Units that were lawfully deregulated prior to June 14, 2019 remain deregulated.

Preferential Rent

- If you are a rent stabilized tenant and your landlord offered you a lower rent than the legal regulated rent, you have a preferential rent.
- Tenants paying a preferential rent on June 14, 2019, whether their lease started before, on, or after this date, cannot have their rents

increased to the legal regulated rent at their next lease renewal.

- Once a tenant vacates an apartment, the owner can legally charge up to the legal regulated rent to the next tenant, except under very limited circumstances.

Vacancy Increases

- Owners may no longer apply a 20% increase to an apartment rent upon vacancy. Further, no Rent Guidelines Board is permitted to set a separate vacancy increase. If authorized by the Board, a one- or two- year lease guideline may be applied.

Major Capital Improvements

- Increases in rent due to Major Capital Improvements (building-wide improvements such as boilers, windows and roofs, known as MCIs) must be removed from the rent 30 years after the date the increase becomes effective inclusive of any increases granted by the Rent Guidelines Board and will no longer be a permanent rent increase.
- Increases in rent due to MCIs are limited to no more than 2% above the tenant's rent in place at the time the MCI was awarded. In New York City, this is a decrease from a 6% rent increase cap. In Emergency Tenant Protection Act counties, this is a decrease from a 15% cap.

- The 2% cap applies to existing MCIs for any renewal lease beginning on or after June 14, 2019. Therefore, if an MCI has been awarded in the last seven years, any future increases based on those MCIs will be subject to the 2% annual cap.
- The monthly MCI costs passed on to tenants will also now be lower because the formula for calculating costs has changed. The amortization period for MCIs has been lengthened to 12 years for buildings with 35 or fewer units and to 12.5 years for buildings with more than 35 units.
- Determining what qualifies as an MCI has significantly changed and the costs approved for MCIs will be based on a reasonable cost schedule that will be created by HCR. It will be included on a fact sheet on the ORA website.
- ORA will annually inspect and audit 25% of all approved MCIs.

Rent Control

- Rent increases for tenants in rent controlled apartments will now be calculated by averaging the last five years increases for rent stabilized renewal leases, set by the Rent Guidelines Board.
- Rent controlled tenants will no longer pay or have their rent increased by fuel pass along charges.

Individual Apartment Improvements

- Increases in rent due to Individual Apartment Improvements (IAIs) must be removed from the rent 30 years after the date the increase becomes effective inclusive of any increases granted by the Rent Guidelines Board and will no longer be a permanent rent increase.
- Increases in rent due to IAIs are limited the following formula: maximum of \$15,000 in improvements over a 15-year period in no more than three separate IAIs.
- Owners must clear hazardous violations in apartments before applying an IAI rent increase.
- IAIs completed while an apartment is occupied must be evidenced by informed written consent

and uploaded by the owner to a centralized database.

- The monthly IAI costs passed on to tenants will also now be lower because the formula for calculating costs has changed. The amortization period for IAIs has been lengthened to 14 years for buildings with 35 or fewer units and 15 years with buildings with more than 35 units.

Rent Overcharge

- Tenants now have six years to claim a rent overcharge. Previously, a tenant could only claim that they had been overcharged within a four-year window and claim damages for this four-year period.
- The period for which a tenant can receive damages, including treble (triple) damages, as a result of a willful overcharge, has been extended to six years.
- Owners can no longer avoid treble damages simply because they refund an overcharge after a complaint has been filed.

Owner Occupancy Provisions

- Owners choosing to reside in a building they own may now only occupy one rent regulated unit for themselves or their family members. Residents who have been in place for 15 years or are elderly or disabled have additional protections pursuant to changes in the owner occupancy provisions.

Nonprofit Secured Housing

- Certain nonprofit corporations leasing rent stabilized apartments pursuant to government contracts to service vulnerable individuals or individuals with disabilities or individuals who were homeless or at risk of homelessness and their residents are given occupancy protection under the rent stabilization law.



Key Metrics of the Rent Regulated System

The Housing Stability and Tenant Protection Act (HSTPA) of 2019 enacted sweeping changes to state law, greatly strengthening tenant protections for New Yorkers. One of these changes include a new commitment to increased transparency by reporting on key metrics about the rent regulated system each year. These metrics aim to provide a snapshot of the rent regulated stock and illuminate trends.

As required by Part L of the HSTPA, this inaugural reporting of key metrics covers unit registrations for the three fiscal years immediately preceding the release of this report; this corresponds to registration years 2016, 2017, and 2018. MCI and overcharge case data are presented by state fiscal year for SFY2016-17, 2017-18, and 2018-19. The Tenant Protection Unit (TPU)'s investigations are presented for calendar years 2016, 2017, and 2018. Presenting metrics for the years preceding the changes enacted by the HSTPA provides a baseline for understanding the current environment.

The following table includes datapoints for the 14 required metrics, where available. A detailed description of the datapoints, including data definitions, can be found in the Data Definitions and Technical Notes section.

Key Metrics Table

Rent Law Metrics	Datapoint #	Datapoints	Registration Year			
			2016	2017	2018	
			Reporting Geography	5FY2016-17	5FY2017-18	5FY2018-19
(i) the number of rent stabilized housing accommodations within each county:	1	RS units by county	Bronx County	220,452	220,452	214,379
			Kings County	254,166	252,787	245,933
			New York County	268,856	264,701	259,521
			Queens County	159,632	159,999	158,195
			Richmond County	7,874	8,235	8,004
			Russau County	8,437	7,930	7,582
			Rockland County	2,107	2,022	2,022
			Westchester County	28,946	28,289	26,641
			New York State	950,801	944,500	922,277
(ii) the number of rent controlled housing accommodations within each county:	2	RC units	New York State	1,052	1,179	1,301
(iii) the number of applications for major capital improvements filed with the division, the number of such applications approved as submitted, the number of such applications approved with modifications, and the number of such applications rejected:	3	MCI applications filed	New York State	251	238	295
	4	MCI applications approved as submitted	New York State	1,024	731	662
	5	MCI applications approved with modifications	New York State	112	120	82
	6	MCI applications rejected	New York State	\$96,348	\$118,511	\$112,700
	7	Median value of approved MCI applications	New York State	\$196,592	\$207,233	\$255,839
(iv) the median and mean value of applications for major capital improvements approved:	8	Mean value of approved MCI applications	New York State	277,186	277,591	280,657
(v) the number of units which were registered with the division where the amount charged to and paid by the tenant was less than the registered rent for the housing accommodation:	9	RS units with preferential rents	New York State			
(vi) for housing accommodations that were registered with the division where the amount charged to and paid by the tenant was less than the registered rent for the housing accommodation, the median and mean difference between the registered rent for a housing accommodation and the amount charged to and paid by the tenant:	10	Median preferential rent discount	New York State	\$444	\$446	\$472
(vii) the median and mean registered rent for housing accommodations for which the lease was renewed by an existing tenant:	11	Mean preferential rent discount	New York State	\$859	\$862	\$910
(viii) the median and mean registered rent for housing accommodations for which a lease was signed by a new tenant after a vacancy:	12	Median legal rent for RS units with lease renewal	New York State	\$1,344	\$1,366	\$1,399
	13	Mean legal rent for RS units with lease renewal	New York State	\$1,698	\$1,722	\$1,770
	14	Median legal rent for RS units with vacancy lease	New York State	\$1,937	\$2,075	\$2,224
	15	Mean legal rent for RS units with vacancy lease	New York State	\$2,751	\$2,880	\$3,025
	16	Median increase in legal rent in units with vacancy lease (%)	New York State	\$215	\$200	\$219
	17	Mean increase in legal rent in units with vacancy lease (%)	New York State	10%	9%	10%
	18	Mean increase in legal rent in units with vacancy lease (\$)	New York State	\$308	\$287	\$311
	19	Mean increase in legal rent in units with vacancy lease (%)	New York State	16%	16%	24%
(ix) the median and mean increase, in dollars and as a percentage, in the registered rent for housing accommodations where the lease was signed by a new tenant after a vacancy, where the amount charged to and paid by the prior tenant was the full registered rent:	20	Median increase in legal rent in units with vacancy lease and no previous pref. rent (\$)	New York State	\$151	\$150	\$175
	21	Mean increase in legal rent in units with vacancy lease and no previous pref. rent (%)	New York State	10%	10%	12%
	22	Median increase in legal rent in units with vacancy lease and no previous pref. rent (\$)	New York State	\$262	\$268	\$291
	23	Mean increase in legal rent in units with vacancy lease and no previous pref. rent (%)	New York State	20%	20%	20%
	24	Median increase in legal rent in units with vacancy lease and previous pref. rent (\$)	New York State	\$277	\$242	\$251
	25	Mean increase in legal rent in units with vacancy lease and previous pref. rent (%)	New York State	10%	6%	6%
	26	Median increase in legal rent in units with vacancy lease and previous pref. rent (\$)	New York State	\$360	\$308	\$332
	27	Mean increase in legal rent in units with vacancy lease and previous pref. rent (%)	New York State	12%	12%	28%
(x) the number of rent overcharge complaints processed by the division:	28	Count of overcharge complaints processed	New York State	1,955	1,478	1,121
(xi) the number of final overcharge orders granting an overcharge:	29	Count of overcharges orders granted	New York State	742	522	397
(xii) the number of investigations commenced by TPU*	30	Count of investigations commenced by TPU*	New York State	2,315	785	3,525
			Bronx County	3,768	3,997	3,997
			Kings County	5,292	3,119	5,483
			New York County	5,466	2,083	6,773
			Queens County	2,552	1,085	1,980
			Richmond County	78	128	72
			Nassau County	16	33	114
			Rockland County	0	0	0
			Westchester County	515	228	756
			New York State	17,687	10,626	19,175
(xiii) the number of investigations commenced by the tenant protection unit, the aggregate number of rent stabilized or rent controlled housing accommodations in each county that were the subject of such investigations, and the dispositions of such investigations:	31	Count of RS and RC units subject to TPU investigations*	New York State			
	32	Disposition of TPU investigations	New York State			

NOTE: Registration data are as of March 31, 2019.

* Reported on a calendar year basis (reporting years are 2016, 2017, 2018)

Data Definitions and Technical Notes

The Housing Stabilization and Tenant Protection Act of 2019, Part L, enumerates 14 metrics to be included in tabular format for each of the three fiscal years preceding the date the report is due. This iteration of the report includes owner-reported rent registration data for registration years 2016, 2017, and 2018, which corresponds to registrations that would have been submitted during State Fiscal Years 2016-17, 2017-18, and 2018-19, respectively. Registration years capture lease information (where applicable) for leases that are effective on April 1 of the registration year and lease start dates must be prior to April 2 of the registration year. All registration data is as of March 31, 2019. For case-related metrics, which includes data related to Major Capital Improvements (MCIs) and rent overcharges, data are presented for SFY 2016-17, 2017-18, and 2018-19. Metrics reported by the Tenant Protection Unit are reported on a calendar year basis for 2016, 2017, and 2018.

Data Definitions

The metrics, as enumerated in the law and as presented in this report, are defined and described below.

I. The number of rent stabilized housing accommodations within each county. Rent stabilized housing accommodations are defined as rent stabilized units registered in annual registrations with ORA, excluding exit registrations. This data is presented by county and for New York State. Due to lags in registrations, unit counts for the last registration year presented (2018) are likely artificially low. Historically, approximately 10 percent of units are registered after the close of the registration year.

II. The number of rent controlled housing accommodations within each county. The current rent registration system does not collect information on rent controlled units. The U.S. Census Bureau's New York City Housing Vacancy Survey provides estimates of rent controlled units within New York City. Those estimates can be found at <https://www.census.gov/programs-surveys/nychvs.html>.

III. The number of applications for major capital improvements filed with the division, the number of such applications approved as submitted, the number of such applications approved with modifications, and the number of such applications rejected. The number of MCI applications filed are defined as the number of applications filed within the given fiscal year. The number of applications approved as submitted, approved with modifications, and rejected are defined as those applications which were processed and closed within the given fiscal year and which were granted as submitted, granted in part, or denied, respectively. Due to variations in processing times for MCI applications, the sum of applications granted, granted in part, and denied may not equal the number of applications filed in a relevant fiscal year.

IV. The median and mean value of applications for major capital improvements approved. These values are defined as the median and mean of total approved costs for MCIs that were granted or granted in part in the relevant fiscal year.

V. The number of units which were registered with the division where the amount charged to and paid by the tenant was less than the registered rent for the housing accommodation. The report presents the number of units with preferential rents; units with preferential rents are defined as occupied rent stabilized units that are registered with a preferential rent amount that is less than the registered legal rent amount in the relevant registration year. See also additional technical notes for legal and preferential rent amounts, below.

VI. For housing accommodations that were registered with the division where the amount charged to and paid by the tenant was less than the registered rent for the housing accommodation, the median and mean difference between the registered rent for a housing accommodation and the amount charged to and paid by the tenant. The report presents the median and mean difference between the registered preferential and legal rent amounts for occupied rent stabilized units that are registered with a preferential rent amount that is less than the registered legal rent amount for the relevant registration year. All amounts are reported on a per-month basis. See also additional technical notes for legal and preferential rent amounts, below.

VII. The median and mean registered rent for housing accommodations for which the lease was renewed by an existing tenant. The report presents the median and mean registered legal rent amounts for occupied rent stabilized units where a lease was signed within the twelve months prior to April 2 of the relevant registration year and at least one tenant was recorded as being the same person on both the prior and relevant registration year for the unit. All amounts are reported on a per-month basis. See additional technical notes for information on tenant information and tenant matching methodologies, below. See also additional technical notes for legal and preferential rent amounts, below.

VIII. The median and mean registered rent for housing accommodations for which a lease was signed by a new tenant after a vacancy. The report presents the median and mean registered legal rent amounts for occupied rent stabilized units where a lease was signed within the twelve months prior to April 2 of the relevant registration year and no tenant name in the relevant registration year records matches tenant name in the prior registration year records for the unit. All amounts are reported on a per-month basis. See additional technical notes for information on tenant information and tenant matching methodologies, below. See also additional technical notes for legal and preferential rent amounts, below.

IX. The median and mean increase, in dollars and as a percentage, in the registered rent for housing accommodations where the lease was signed by a new tenant after a vacancy. The report presents the median and mean difference, in dollars and percent, in the legal registered rent amounts for the relevant and prior registration years for units that were registered as occupied rent stabilized units in both registration years, where a lease was signed within the twelve months prior to April 2 of the relevant registration year, and no tenant name in the relevant registration year records matches tenant name in the prior registration year records for the unit. All amounts are reported on a per-month basis. See additional technical notes for information on tenant information and tenant matching methodologies, below. See also additional technical notes for legal and preferential rent amounts, below.

X. The median and mean increase, in dollars and as a percentage, in the registered rent for housing accommodations where the lease was signed by a new tenant after a vacancy, where the amount charged to and paid by the prior tenant was the full registered rent. The report presents the median and mean difference, in dollars and percent, in the legal registered rent amounts for the relevant and prior registration years for units that were registered as occupied rent stabilized units in both registration years, where a lease was signed within the twelve months prior to April 2 of the relevant registration year, where no tenant name in the relevant registration year records matches tenant name in the prior registration year records for the unit, and where there was not a registered preferential rent in the prior registration year. All amounts are reported on a per-month basis. See additional technical notes for information on tenant information and tenant matching methodologies, below. See also additional technical notes for legal and preferential rent amounts, below.

XI. The median and mean increase, in dollars and as a percentage, in the registered rent for housing

accommodations where the lease was signed by a new tenant after a vacancy, where the amount changed to and paid by the prior tenant was less than the registered rent. The report presents the median and mean difference, in dollars and percent, in the legal registered rent amounts for the relevant and prior registration years for units that were registered as occupied rent stabilized units in both registration years, where a lease was signed within the twelve months prior to April 2 of the relevant registration year, where no tenant name in the relevant registration year records matches tenant name in the prior registration year records for the unit, and where there was a registered preferential rent in the prior registration year. All amounts are reported on a per-month basis. See additional technical notes for information on tenant information and tenant matching methodologies, below. See also additional technical notes for legal and preferential rent amounts, below.

XII. The number of rent overcharge complaints processed by the division. The report presents the total number of overcharge orders issued in the relevant fiscal year.

XIII. The number of final overcharge orders granting an overcharge. The report presents the total number of overcharge applications granted in the relevant fiscal year.

XIV. The number of investigations commenced by the tenant protection unit, the aggregate number of rent stabilized or rent controlled housing accommodations in each county that were the subject of such investigations, and the dispositions of such investigations. These metrics are reported on a calendar year basis. (1) The report presents TPU's investigation totals comprised of registration compliance initiative investigations, audits of registered legal regulated rents, and comprehensive legal investigations. This data is presented by county and for New York State. Due to data systems limitations, some comprehensive legal investigations are unreported. (2) For registration compliance initiative investigations the aggregate number of rent stabilized or rent controlled housing accommodations in each county that were the subject of such investigations are reported in the years in which they registered. (3) The dispositions of investigations are unable to be disclosed due to the nature of ongoing investigations.

Technical Notes

Registered Legal and Preferential Rent Amounts

For the purposes of this report, a small number of registration records are omitted from mean, median, and year-over-year rent amount calculations to ensure calculable and interpretable results and to remove overtly errant records. All dollar amounts are reported as current dollars and are not adjusted for inflation.

Monthly/Weekly Rent Amounts

Rent amounts are reported by landlords or their agents and may be reported as monthly or weekly amounts, with a small minority reported as weekly. All rent amounts in this report are reported as monthly amounts. Statistical analyses of legal rent amounts that are reported as weekly suggest that they are often flagged erroneously. Converting them to monthly amounts would likely result in exceptionally high rent values that would skew calculations, especially at the mean. Therefore, units with legal rent amounts that are reported as weekly are omitted from all calculations of rent amounts, as well as counts of units with preferential rents, with one exception: Single Room Occupancy (SRO) units. SROs are defined as units in rooming houses and hotels and are not required to have a kitchen or bathroom in each unit.

Because these units are often occupied by transient residents, rents are most often collected on a weekly basis. Analyses of legal rent amounts in units flagged as SROs reported as weekly suggest that these are, in fact, weekly rents. Therefore, these observations are included in calculations and converted to monthly rents using the formula $[\text{RENT AMOUNT}] \times 52/12$. Additionally, units with both legal and preferential rent amounts and are in disagreement between monthly and weekly payment (e.g. the legal rent is reported as a weekly amount and the preferential rent is reported as a monthly amount) are omitted from all rent amount calculations, as well as counts of units with preferential rents. In total, omissions due to monthly/weekly rent amount issues account for approximately 0.1 percent of registered units annually.

Legal Rents Less Than \$1

Some registered units have registered legal rent amounts that are close to, or \$0. Including these units in calculations of year-over-year changes in rents can lead to extreme values that are not representative of actual changes in the stock or uninterpretable results such as infinity percent changes. Therefore, units with legal rent amounts of less than \$1 are omitted from all rent amount calculations. This omission accounts for less than 0.2 percent of registered units annually.

Tenant Matching to Determine New and Existing Tenants

The current rent registration system does not explicitly collect data on the continuity of tenancy for all units in the system across registration years. To identify new and existing tenants, HCR matched tenant names and IDs across registration years for the same unit. Due to variability in how landlords and their agents may enter these data from one year to the next, matching results are typically not be 100 percent accurate. Review of a sampling of 2,000 units matched between registration years 2016 and 2017 demonstrated an estimated 98 percent accuracy in identifying new or existing tenants using this tenant matching methodology.

Supporting Data

Per Part L. of the HSTPA of 2019, HCR provides the building and apartment registration data used to tabulate the metrics included in this report for registration year 2018. Within the apartment data, all rent and preferential rent amounts are only reported for occupied rent stabilized units; rent amounts for units registered as VACANT or TEMP EXEMPT are omitted. NULL and OMITTED amounts are represented by -99999 in the data. Fields used to identify lease renewals and vacancy leases are not included in the supporting data to protect confidential tenant information.

Registration Year

Registration is a snapshot of the status of a apartment as of April 1st of that year. The criteria for each year is the “received date” of March 31st which is the end of that particular fiscal year (for example the 2016 Registration year includes data that was received by March 31, 2017 and the 2017 Registration year includes data that was received by March 31, 2018).

Glossary

421-a Tax Incentive Program: Created in 1970 - Offers tax exemptions to qualifying new multifamily properties containing three or more rental units. Apartments built with 421-a tax exemptions are subject to the provisions of the Rent Stabilization Laws during the exemption period. Thus, 421-a tenants share the same tenancy protections as stabilized tenants and initial rents approved by HPD are then confined to increases established by the Rent Guidelines Board.

Demolition – At a minimum, demolition is the complete gutting of a building’s interior while leaving only the exterior walls intact. At a maximum, it is the complete razing of a building to the ground.

Disability Rent Increase Exemption (DRIE) - A program which freezes the rent of a New York City tenant or tenant’s spouse who is disabled (defined as receiving either Federal Supplemental Security Income, Federal Social Security Disability Insurance, US Department of Veterans Affairs disability pension or compensation, or Disability-related Medicaid) and living in a rent regulated apartment. To currently qualify for this benefit, you must be 18 years or older, have a combined household income that is \$50,000 or less and spend more than one-third of your monthly household income on rent.

Emergency Tenant Protection Act of 1974 (ETPA) - Chapter 576 Laws of 1974 - In Nassau, Rockland and Westchester counties, rent stabilization applies to non-rent controlled apartments in buildings of six or more units built before January 1, 1974 in localities that have declared an emergency and adopted ETPA. In order for rents to be placed under regulation, there has to be a rental vacancy rate of less than 5% for all or any class or classes of rental housing accommodations. Some municipalities limit ETPA to buildings of a specific size, for instance, buildings with 20 or more units. Each municipality declaring an emergency and adopting local legislation pays the cost of administering ETPA (in either Nassau, Rockland or Westchester County). In turn, each municipality can charge the owners of subject housing accommodations a fee (up to \$20 per unit per year).

Fair Market Rent - The fair market rent is the rent charged to the first stabilized tenant after the vacancy of a rent controlled tenant, subject to challenge in a Fair Market Rent Appeal.

Fair Market Rent Appeal - A challenge to the first rent stabilized rent after rent control which must be filed within 90 days after the tenant receives the initial apartment registration.

Guideline Rent Increases - The percentage increase of the Legal Regulated Rent that is allowed when a new or renewal lease is signed. This percentage is determined by the NYC or County Rent Guidelines Board for renewal leases signed between October 1 of the current year and September 30 of the following year.

Harassment - A course of action intended to force a tenant out of his or her apartment or cause a tenant to give up rights granted to the tenant by the Rent Stabilization or Rent Control Laws. No owner, or owner’s representative, may interfere with a tenant’s privacy, comfort or quiet enjoyment of the tenant’s apartment.

Heat and Hot Water - By law owners must provide tenants with heat and hot water.

Housing Maintenance Code - The code, enforced by the New York City Department of Housing Preservation and Development, provides for protection of the health and safety of apartment dwellers by setting standards for the operation, preservation and condition of buildings.

Individual Apartment Improvements - An increase in rent based on increased services, new equipment, or improvements. This increase is a NYS policy and is in addition to the regular annual Rent Guidelines Board increases for rent stabilized apartments and Maximum Base Rent increases for rent controlled apartments. If owners add new services, improvements, or new equipment to an occupied rent regulated apartment, owners of rent regulated units can add in buildings with 35 units or less, the amount the rent can be increased for an IAI is limited to 1/168th of the cost of the improvement. In buildings with more than 35 units, the amount the rent can be increased for an IAI is limited to 1/180th of the cost of the improvement. The IAI rent increase for improvements collected after June 14, 2019 is temporary and must be removed from the rent in 30 years, and the legal rent must be adjusted at that time for guideline increases that were previously compounded on a rent that included the IAI.

Initial Apartment Registration - Registration that occurs when an apartment first becomes subject to the registration requirements of the rent stabilization law. A copy of the registration form must be served on the tenant.

J-51 Tax Incentive Program - A New York City program under which, in order to encourage development and rehabilitation, property tax abatements and exemptions are granted. In consideration of receiving these tax abatements, and at least for the duration of the abatements, the owner of these buildings agree to place under rent stabilization those apartments which would not otherwise be subject to rent stabilization. This program provides real estate tax exemptions and abatements to existing residential buildings that are renovated or rehabilitated in ways that conform to the requirements of the statute. It also provides these benefits to residential buildings that were converted from commercial structures.

Legal Rent - The maximum rent level that a owner is entitled to charge a tenant for a rent regulated unit. The owner of a rent stabilized unit must annually register that legal rent with ORA.

Major Capital Improvement (MCI) - An MCI is a building wide improvement which is for the operation, preservation and maintenance of the structure, directly or indirectly benefits all tenants, involves a capital expenditure which is deemed depreciable by the Internal Revenue Service and meets the requirements set forth in the Agency's useful life schedule. To be eligible to collect a rent increase for an MCI, an owner must first apply to HCR and obtain an order granting the rent increase.

Maximum Base Rent (MBR) - A maximum base rent is established for each rent-controlled apartment and is updated every two years to reflect changes in operating costs. Pursuant to the Housing Stability and Tenant Protection Act (HSTPA) of 2019, the MCR cannot be increased by more than 7.5% per year or the average of the previous five-year Rent Guidelines Board (RGB) increases for each year of the two-year MBR cycles.

Maximum Collectible Rent (MCR) - The rent that rent controlled tenants actually pay is called the Maximum Collectible Rent (MCR). The MCR generally is less than the MBR. By law, The MCR is the average of the five

most recent RGB annual rent increases for one-year renewal leases or 7.5%, the lesser of the two.

Petition for Administrative Review (PAR) - An administrative appeal, filed by an owner or tenant, against an order issued by the Rent Administrator, which alleges errors in fact or application of the law.

Preferential Rent - A rent charged by an owner to a tenant that is less than the established legal regulated rent.

Registration - Owners are required to register all rent stabilized apartments with ORA by filing an Annual Apartment Registration Form which lists rents and tenancy information as of April 1st of each year.

Renewal Lease - The lease of a tenant in occupancy renewing the terms of a prior lease entered into between the tenant and owner for an additional term. Tenants in rent stabilized apartments have the right to select a lease renewal for a one- or two-year term. The renewal lease must be on the same terms and conditions as the expiring lease unless a change is necessary to comply with a specific law or regulation or is otherwise authorized by the rent regulations. The owner may charge the tenant a Rent Guidelines Board authorized increase based on the length of the renewal lease term selected by the tenant. The law permits the owner to raise the rent during the lease term if the Rent Guidelines rate was not finalized when the tenant signed the lease renewal offer. In general, the lease and any rent increase may not begin retroactively. Penalties may be imposed when an owner does not timely offer the tenant a renewal lease or timely return to the tenant an executed copy thereof.

Rent Control - The rent regulation program which generally applies to residential buildings constructed before February 1947 in municipalities for which an end to the postwar rental housing emergency has not been declared. For an apartment to be under rent control, the tenant must generally have been living there continuously since before July 1, 1971 or for less time as a successor to a rent-controlled tenant. When a rent-controlled apartment becomes vacant, it becomes rent stabilized, generally becoming stabilized if the building has six or more units and if the community has adopted the ETPA. Rent control limits the rent an owner may charge for an apartment and restricts the right of an owner to evict tenants. It also obligates the owner to provide essential services and equipment. In New York City, rent increases are governed by the MBR system.

Rent Overcharge - A rent overcharge occurs when a tenant pays an amount of rent above the legal rent. [See Fact Sheet #16.](#)

Rent Reduction - If an owner is not providing all required services, a tenant may file a complaint with ORA seeking to have the services restored. If the Agency determines that the services have not been restored, the Agency will issue a service reduction order which may relate to an individual apartment or may be building-wide. In rent stabilized apartments the rent will be reduced by an amount equal to the most recent rent guideline increase. In rent controlled apartments, the rent is reduced by a specific dollar amount based on the nature of the condition or decrease in service. [See Fact Sheet #14.](#)

Rent Restoration - This is an application filed by the owner to restore rents that were reduced by a rent reduction order. It is filed after the services have been restored. If granted, the effective date in rent stabilization is based on the date of the owner's application; for rent controlled apartments, the effective date is prospective only from the first day of the month after the issuance of the order.

Senior Citizen Rent Increase Exemption (SCRIE) - If a New York City tenant or tenant's spouse is 62 years of age or over (living in a rent regulated apartment), and the combined household income is currently \$50,000 per year or less and they are paying at least 1/3 of their income toward their rent, the tenant may apply for the Senior Citizen Rent Increase Exemption (SCRIE). In New York City, the Department of Finance (DOF) administers the SCRIE program. Outside of New York City, Senior Citizen Rent Increase Exemption is a local option, and communities have different income eligibility limits and regulations. If a New York City tenant qualifies for this program, the tenant is exempt from future rent guidelines increases, Maximum Base Rent increases, fuel cost adjustments, MCI increases, and increases based on the owner's economic hardship. New York City senior citizen tenants may also carry this exemption from one apartment to another upon moving, upon the proper application being made to the Department of Finance. [See Fact Sheet #21.](#)

Service - Both the Rent Control and Rent Stabilization Laws require that the owner continue to provide all services provided on the base date, (generally the date the apartment became subject to regulations), as well as any services which are required by law. [See Fact Sheet #3.](#)

Sublet Apartment - Rent stabilized apartments are rented pursuant to a lease between an owner and a tenant. Under certain circumstances, a tenant may enter into a sublease with a new tenant (called the subtenant) for the rental of the apartment. The owner has the right to charge the prime tenant a sublet allowance during the period of sublet if the sublet occurs during a renewal lease term. The prime tenant (tenant who holds the lease with the owner) may pass this allowance onto the subtenant. The prime tenant may also charge the subtenant an additional 10% for the use of furniture. An apartment which is sublet continues to be under the jurisdiction of the rent stabilization law. The subtenant is protected from overcharges by the prime tenant and may file an overcharge complaint against the prime tenant if he or she feels a rent in excess of a legal rent is being collected. Generally the subtenant may not file such a complaint against the owner. [See Fact Sheet #7.](#)

Succession - The ability of a tenant to "pass on" their regulated apartment to certain immediate family members. The family member may have the right to succeed to the tenancy provided the family member's primary residence has been with the tenant for two years or since the inception of the relationship. [See Fact Sheet #30.](#)

Treble Damages - Treble damages refers to a penalty of three times the dollar amount of an overcharge that is payable to the tenant. This penalty, imposed by an order of ORA, is assessed against an owner when he or she willfully collects any rent in excess of the legal regulated rent. ORA will require the owner to pay treble damages to the tenant--up to three times the overcharge amount and up to six years pursuant to the HSTPA.

Vacancy Lease - When a person rents a rent stabilized apartment for the first time, or, when a new name (not the spouse or domestic partner) is added to an existing lease, this is a vacancy lease. This written lease is a contract between the owner and the tenant which includes the terms and conditions of the lease, the length of the lease and the rights and responsibilities of the tenant and the owner. The ETPA gives the new tenant (also called the vacancy tenant) the choice of a one- or two-year lease term.

Underlying Data

2019 ORA Rent Report - Rent Regulated Apartment Supporting Data
<https://hcr.ny.gov/2019-rent-regulated-apartment-supporting-data>

2019 ORA Rent Report - Rent Regulated Building Supporting Data
<https://hcr.ny.gov/2019-rent-regulated-building-supporting-data>