

STATE OF NEW YORK

1628

2017-2018 Regular Sessions

IN ASSEMBLY

January 12, 2017

Introduced by M. of A. MOSLEY, DAVILA, WALKER, JOYNER, BICHOTTE, ARROYO, O'DONNELL -- read once and referred to the Committee on Housing

AN ACT to amend the administrative code of the city of New York, the emergency tenant protection act of nineteen seventy-four and the emergency housing rent control law, in relation to adjustment of maximum allowable rent

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subparagraph (e) of paragraph 1 of subdivision g of section 26-405 of the administrative code of the city of New York, as amended by section 15 of part B of chapter 97 of the laws of 2011, is amended to read as follows:

(e) The landlord and tenant by mutual voluntary written agreement agree to a substantial increase or decrease in dwelling space or a change in the services, furniture, furnishings or equipment provided in the housing accommodations. An adjustment under this subparagraph shall be equal to [~~one fortieth, in the case of a building with thirty-five or fewer housing accommodations, or one sixtieth, in the case of a building with more than thirty-five housing accommodations where such adjustment takes effect on or after September twenty-fourth, two thousand eleven,~~ one eighty-fourth of the total cost incurred by the landlord in providing such modification or increase in dwelling space, services, furniture, furnishings or equipment, including the cost of installation, but excluding finance charges and cosmetic improvements, provided further that an owner who is entitled to a rent increase pursuant to this subparagraph shall not be entitled to a further rent increase based upon the installation of similar equipment, or new furniture or furnishings within the useful life of such new equipment, or new furniture or furnishings. The owner shall give written notice to the city rent agency of any such adjustment pursuant to this subparagraph; or

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [~~-~~] is old law to be omitted.

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§ 2. Subdivision g of section 26-405 of the administrative code of the city of New York is amended by adding a new paragraph 8 to read as follows:

(8) (a) Within one hundred twenty days of the effective date of this paragraph, the division of housing and community renewal shall issue a schedule of reasonable costs for upgrades and improvements that may be claimed as a basis for an adjustment of rent pursuant to subparagraph (e) of paragraph one of this subdivision. The schedule of reasonable costs shall exclude cosmetic improvements. The schedule of reasonable costs shall be based on the average costs for similar upgrades or improvements made to comparable properties located in each county, subject to the provisions of this chapter, and shall be updated at least once every two years. No increase in rent shall be collectible under subparagraph (e) of paragraph one of this subdivision based upon costs that exceed the reasonable costs set forth in the schedule, unless approved by the division pursuant to subparagraph (b) of this paragraph.

(b) Within thirty days of the signing of a mutual voluntary written agreement including a rent increase pursuant to subparagraph (e) of paragraph one of this subdivision that includes improvements that exceed the schedule of reasonable costs pursuant to subparagraph (a) of this paragraph, the landlord will file with the division of housing and community renewal an explanation of how the rent was computed, and all documents necessary to support the collection of such increase, including but not limited to, cancelled checks, invoices and signed contracts contemporaneously with the improvements alleged and a statement that any increase above the previous rent is in accordance with adjustments permitted by law. Upon receipt of all documents submitted by the landlord, and after giving the tenant an opportunity to respond, the division of housing and community renewal shall issue an order approving or disapproving such increase in whole or in part.

(c) Within thirty days of the signing of a mutual voluntary written agreement including a rent increase that exceeds ten percent of the maximum collectible rent, the landlord will file with the division of housing and community renewal an explanation of how the rent was computed, and all documents necessary to support the collection of such increase, including but not limited to, cancelled checks, invoices and signed contracts contemporaneously with the improvements alleged and a statement that any increase above the previous rent is in accordance with adjustments permitted by law. Upon receipt of all documents submitted by the owner, and after giving the tenant an opportunity to respond, the division of housing and community renewal shall issue an order approving or disapproving such increase in whole or in part. Based upon such determination, the division of housing and community renewal shall order a refund to the tenant equal to the amount collected in excess of the rent approved by the division of housing and community renewal.

(d) No increase in rent shall be collectible under subparagraph (e) of paragraph one of this subdivision until:

(1) the landlord has provided the tenant with a written notice, including an explanation of how the rent in the mutual voluntary written agreement has been computed, and the specific amounts of all expenditures supporting a rent increase under subparagraph (e) of paragraph one of this subdivision; and

(2) the landlord has filed with the division of housing and community renewal an explanation of how the rent was computed, and all documents necessary to support the collection of such increase, including, but not

1 limited to, cancelled checks, invoices and signed contracts entered into
2 contemporaneously with the improvements alleged, and a statement that
3 any increase above the previous rent is in accordance with adjustments
4 permitted by law.

5 (e) No increase shall be collectible under subparagraph (e) of para-
6 graph one of this subdivision where the division of housing and communi-
7 ty renewal has determined that the owner is not maintaining all build-
8 ing-wide required services or all required services with respect to the
9 affected housing accommodation, or where there are current or outstand-
10 ing hazardous violations of any municipal, county, state or federal law
11 which relate to the maintenance of such services.

12 § 3. Paragraph 13 of subdivision c of section 26-511 of the adminis-
13 trative code of the city of New York, as amended by section 16 of part B
14 of chapter 97 of the laws of 2011, is amended to read as follows:

15 (13) provides that an owner is entitled to a rent increase where there
16 has been a substantial modification or increase of dwelling space or an
17 increase in the services, or installation of new equipment or improve-
18 ments or new furniture or furnishings provided in or to a tenant's hous-
19 ing accommodation, on written tenant consent to the rent increase. In
20 the case of a vacant housing accommodation, tenant consent shall not be
21 required.

22 (a) The permanent increase in the legal regulated rent for the
23 affected housing accommodation shall be [~~one-fortieth, in the case of a~~
24 ~~building with thirty-five or fewer housing accommodations, or one-sixti-~~
25 ~~eth, in the case of a building with more than thirty-five housing accom-~~
26 ~~modations where such permanent increase takes effect on or after Septem-~~
27 ~~ber twenty-fourth, two thousand eleven,] one eighty-fourth~~ of the total
28 cost incurred by the landlord in providing such modification or increase
29 in dwelling space, services, furniture, furnishings or equipment,
30 including the cost of installation, but excluding finance charges and
31 cosmetic improvements.

32 (b) Provided further that an owner who is entitled to a rent increase
33 pursuant to this paragraph shall not be entitled to a further rent
34 increase based upon the installation of similar equipment, or new furni-
35 ture or furnishings within the useful life of such new equipment, or new
36 furniture or furnishings.

37 § 4. Subdivision c of section 26-511 of the administrative code of the
38 city of New York is amended by adding a new paragraph 15 to read as
39 follows:

40 (15) (a) Within one hundred twenty days of the effective date of this
41 paragraph, the division of housing and community renewal shall issue a
42 schedule of reasonable costs for upgrades and improvements that may be
43 claimed as a basis for an adjustment of rent pursuant to paragraph thir-
44 teen of this subdivision. The schedule of reasonable costs shall
45 exclude cosmetic improvements. The schedule of reasonable costs shall
46 be based on the average costs for similar upgrades or improvements made
47 to comparable properties located in each county, subject to the
48 provisions of this chapter, and shall be updated at least once every two
49 years. No increase in rent shall be collectible under paragraph thirteen
50 of this subdivision based upon costs that exceed the reasonable costs
51 set forth in the schedule, unless approved by the division pursuant to
52 subparagraph (b) of this paragraph.

53 (b) Within thirty days of the signing of a vacancy lease including a
54 rent increase pursuant to paragraph thirteen of this subdivision that
55 includes improvements that exceed the schedule of reasonable costs
56 pursuant to subparagraph (a) of this paragraph, the landlord will file

1 with the division of housing and community renewal an explanation of how
2 the vacancy rent was computed, and all documents necessary to support
3 the collection of such increase, including but not limited to, cancelled
4 checks, invoices and signed contracts contemporaneously with the
5 improvements alleged and a statement that any increase above the previ-
6 ous rent is in accordance with adjustments permitted by law. Upon
7 receipt of all documents submitted by the landlord, and after giving the
8 tenant named in the vacancy lease an opportunity to respond, the divi-
9 sion of housing and community renewal shall issue an order approving or
10 disapproving such increase in whole or in part.

11 (c) Within thirty days of the signing of a vacancy lease including a
12 rent increase that exceeds ten percent of the rent charged to the previ-
13 ous tenant, the landlord will file with the division of housing and
14 community renewal an explanation of how the rent was computed, and all
15 documents necessary to support the collection of such increase, includ-
16 ing but not limited to, cancelled checks, invoices and signed contracts
17 contemporaneously with the improvements alleged and a statement that any
18 increase above the previous rent is in accordance with adjustments
19 permitted by law. Upon receipt of all documents submitted by the owner,
20 and after giving the tenant named in such vacancy lease an opportunity
21 to respond, the division of housing and community renewal shall issue an
22 order approving or disapproving such increase in whole or in part. Based
23 upon such determination, the division of housing and community renewal
24 shall order a refund to the tenant equal to the amount collected in
25 excess of the rent approved by the division of housing and community
26 renewal.

27 (d) No increase in rent shall be collectible under paragraph thirteen
28 of this subdivision until:

29 (i) the landlord has provided the tenant with a written notice,
30 including an explanation of how the rent in the vacancy lease has been
31 computed, and the specific amounts of all expenditures supporting a rent
32 increase under paragraph thirteen of this subdivision; and

33 (ii) the landlord has filed with the division of housing and community
34 renewal an explanation of how the vacancy rent was computed, and all
35 documents necessary to support the collection of such increase, includ-
36 ing, but not limited to, cancelled checks, invoices and signed contracts
37 entered into contemporaneously with the improvements alleged, and a
38 statement that any increase above the previous rent is in accordance
39 with adjustments permitted by law.

40 (e) No increase shall be collectible under paragraph thirteen of this
41 subdivision where the division of housing and community renewal has
42 determined that the owner is not maintaining all building-wide required
43 services or all required services with respect to the affected housing
44 accommodation, or where there are current or outstanding hazardous
45 violations of any municipal, county, state or federal law which relate
46 to the maintenance of such services.

47 § 5. Paragraph 1 of subdivision d of section 6 of section 4 of chapter
48 576 of the laws of 1974, constituting the emergency tenant protection
49 act of nineteen seventy-four, as amended by section 18 of part B of
50 chapter 97 of the laws of 2011, is amended to read as follows:

51 (1) there has been a substantial modification or increase of dwelling
52 space or an increase in the services, or installation of new equipment
53 or improvements or new furniture or furnishings, provided in or to a
54 tenant's housing accommodation, on written tenant consent to the rent
55 increase. In the case of a vacant housing accommodation, tenant consent
56 shall not be required.

(a) The permanent increase in the legal regulated rent for the affected housing accommodation shall be [~~one fortieth, in the case of a building with thirty-five or fewer housing accommodations, or one sixtieth, in the case of a building with more than thirty-five housing accommodations where such permanent increase takes effect on or after September twenty-fourth, two thousand eleven,~~] one eighty-fourth of the total cost incurred by the landlord in providing such modification or increase in dwelling space, services, furniture, furnishings or equipment, including the cost of installation, but excluding finance charges and cosmetic improvements.

(b) Provided further that an owner who is entitled to a rent increase pursuant to this paragraph shall not be entitled to a further rent increase based upon the installation of similar equipment, or new furniture or furnishings within the useful life of such new equipment, or new furniture or furnishings.

(c) The owner shall give written notice to the division of housing and community renewal and the tenant named in a vacancy lease on forms prescribed by the division of any such adjustment pursuant to this paragraph and the failure to provide such written notice as provided herein shall preclude the collection of any such adjustment. Such notice must include a detailed breakdown of the nature and cost of any improvements underlying an increase in rent under this paragraph and a statement that any increase above the previous rent is in accordance with adjustments permitted by law. The owner shall file with the division of housing and community renewal all documents necessary to support the collection of such increase, including, but not limited to, cancelled checks, invoices and signed contracts entered into contemporaneously with the improvements alleged.

§ 6. Subdivision d of section 6 of section 4 of chapter 576 of the laws of 1974, constituting the emergency tenant protection act of nineteen seventy-four, is amended by adding a new paragraph 6 to read as follows:

(6) (a) Within one hundred twenty days of the effective date of this paragraph, the division of housing and community renewal shall issue a schedule of reasonable costs for upgrades and improvements that may be claimed as a basis for an adjustment of rent pursuant to paragraph one of this subdivision. The schedule of reasonable costs shall exclude cosmetic improvements. The schedule of reasonable costs shall be based on the average costs for similar upgrades or improvements made to comparable properties located in each county, subject to the provisions of this act, and shall be updated at least once every two years. No increase in rent shall be collectible under paragraph one of this subdivision based upon costs that exceed the reasonable costs set forth in the schedule, unless approved by the division pursuant to subparagraph (b) of this paragraph.

(b) Within thirty days of the signing of a vacancy lease including a rent increase pursuant to paragraph one of this subdivision that includes improvements that exceed the schedule of reasonable costs pursuant to subparagraph (a) of this paragraph, the landlord will file with the division of housing and community renewal an explanation of how the vacancy rent was computed, and all documents necessary to support the collection of such increase, including but not limited to, cancelled checks, invoices and signed contracts contemporaneously with the improvements alleged and a statement that any increase above the previous rent is in accordance with adjustments permitted by law. Upon receipt of all documents submitted by the landlord, and after giving the

1 tenant named in the vacancy lease an opportunity to respond, the divi-
2 sion of housing and community renewal shall issue an order approving or
3 disapproving such increase in whole or in part.

4 (c) Within thirty days of the signing of a vacancy lease including a
5 rent increase that exceeds ten percent of the rent charged to the previ-
6 ous tenant, the landlord will file with the division of housing and
7 community renewal an explanation of how the rent was computed, and all
8 documents necessary to support the collection of such increase, includ-
9 ing but not limited to, cancelled checks, invoices and signed contracts
10 contemporaneously with the improvements alleged and a statement that any
11 increase above the previous rent is in accordance with adjustments
12 permitted by law. Upon receipt of all documents submitted by the owner,
13 and after giving the tenant named in such vacancy lease an opportunity
14 to respond, the division of housing and community renewal shall issue an
15 order approving or disapproving such increase in whole or in part. Based
16 upon such determination, the division of housing and community renewal
17 shall order a refund to the tenant equal to the amount collected in
18 excess of the rent approved by the division of housing and community
19 renewal.

20 (d) No increase shall be collectible under paragraph one of this
21 subdivision where the division of housing and community renewal has
22 determined that the owner is not maintaining all building-wide required
23 services or all required services with respect to the affected housing
24 accommodation, or where there are current or outstanding hazardous
25 violations of any municipal, county, state or federal law which relate
26 to the maintenance of such services.

27 § 7. Clause 5 of the second undesignated paragraph of paragraph (a) of
28 subdivision 4 of section 4 of chapter 274 of the laws of 1946, consti-
29 tuting the emergency housing rent control law, as amended by section 25
30 of part B of chapter 97 of the laws of 2011, is amended to read as
31 follows:

32 (5) the landlord and tenant by mutual voluntary written agreement
33 agree to a substantial increase or decrease in dwelling space or a
34 change in the services, furniture, furnishings or equipment provided in
35 the housing accommodations; provided that an owner shall be entitled to
36 a rent increase where there has been a substantial modification or
37 increase of dwelling space or an increase in the services, or installa-
38 tion of new equipment or improvements or new furniture or furnishings
39 provided in or to a tenant's housing accommodation. The permanent
40 increase in the maximum rent for the affected housing accommodation
41 shall be [~~one fortieth, in the case of a building with thirty-five or~~
42 ~~fewer housing accommodations, or one sixtieth, in the case of a building~~
43 ~~with more than thirty-five housing accommodations where such permanent~~
44 ~~increase takes effect on or after September twenty-fourth, two thousand~~
45 ~~eleven,~~ one eighty-fourth of the total cost incurred by the landlord in
46 providing such modification or increase in dwelling space, services,
47 furniture, furnishings or equipment, including the cost of installation,
48 but excluding finance charges and cosmetic improvements provided further
49 that an owner who is entitled to a rent increase pursuant to this clause
50 shall not be entitled to a further rent increase based upon the instal-
51 lation of similar equipment, or new furniture or furnishings within the
52 useful life of such new equipment, or new furniture or furnishings. The
53 owner shall give written notice to the commission of any such adjustment
54 pursuant to this clause; or

55 § 8. This act shall take effect on the ninetieth day after it shall
56 have become a law; provided that:

1 (a) the amendments to section 26-405 of the city rent and rehabili-
2 tation law made by sections one and two of this act shall remain in full
3 force and effect only as long as the public emergency requiring the
4 regulation and control of residential rents and evictions continues, as
5 provided in subdivision 3 of section 1 of the local emergency housing
6 rent control act;

7 (b) the amendments to section 26-511 of chapter 4 of title 26 of the
8 administrative code of the city of New York made by sections three and
9 four of this act shall expire on the same date as such law expires and
10 shall not affect the expiration of such law as provided under section
11 26-520 of such law;

12 (c) the amendments to section 6 of the emergency tenant protection act
13 of nineteen seventy-four made by sections five and six of this act shall
14 expire on the same date as such act expires and shall not affect the
15 expiration of such act as provided in section 17 of chapter 576 of the
16 laws of 1974;

17 (d) the amendments to section 4 of the emergency housing rent control
18 law made by section seven of this act shall expire on the same date as
19 such law expires and shall not affect the expiration of such law as
20 provided in subdivision 2 of section 1 of chapter 274 of the laws of
21 1946; and

22 (e) effective immediately, the division of housing and community
23 renewal is authorized to and shall promulgate all rules, regulations and
24 standards necessary to implement the provisions of this act.