

# 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.

LBD01124-02-7

§ 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.