

David A. Paterson
Governor



Deborah VanAmerongen
Commissioner

New York State Division of Housing and Community Renewal
Office of Rent Administration
Gertz Plaza
92-31 Union Hall Street
Jamaica, NY 11433

July 17, 2009

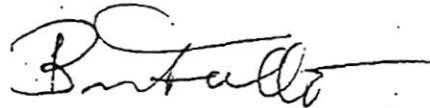
This is in response to your letter dated June 22, 2009.

In your letter, you outline a situation in which an owner has a building with rent stabilized apartments and a health club that has always been operated by an independent contractor, and therefore has never been an ancillary required service. The owner would like to retain the services of a new club operator, who has a familial relationship with the building owner. You ask "(I)n the absence of any commonality of ownership interest between the owner of the building and the operator of the health club, would the familial relationship between building and club operator alone transform a health club into a rent stabilized required service?"

The answer to your question is "no". However, in a proceeding initiated by a tenant(s), if this service comes under review, and the tenants allege common ownership, the DHCR reserves the right to request documentation related to ownership for the building and the health club. If DHCR were to determine that there is common ownership, the subject service could be found to be an ancillary required service.

I trust that I have answered your question as fully as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Falbo", with a long horizontal flourish extending to the right.

Bruce Falbo
Bureau Chief
Rent Information Bureau

BF/lc
Log #COL-2562