

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

September 11, 2009

Dear Mr. Seiden:

In your letter of July 23, 2009, you describe a situation in which "a building is developed using financing from the New York City Housing Development Corporation (HDC), pursuant to an HDC Regulatory Agreement (HDC Agreement). The Agreement sets a permissible rent per apartment of \$1,000.00 per month. The Developer is prepared to rent the apartment to a tenant receiving Section 8 payments as follows: tenant pays \$400.00 per month and Section 8 will pay \$900.00 per month. The \$1,000 rent per apartment has been submitted to and approved by HPD and HDC has approved the use of Section 8 which will allow for higher rents provided that rent collected from tenant does not exceed rent per the HDC Agreement."

You ask the following two questions:

1. Will the \$1,000.00 rent be considered the "Legal Regulated Rent" in Line 14 of the DHCR Initial Apartment Registration (Form RR-1(i) and the \$1,300.00 total rent paid (combined from tenant and from Section 8) be considered the "Actual Rent Paid" in Line 15a of the DHCR Initial Apartment Registration? The difference would be referred to in Line 15b's "Reason for Difference" in the check box "Section 8".
2. Upon vacancy and re-leasing, will the \$1,000.00 be the basis for future rents under rent stabilization (subject to allowable rent escalations)?

Jay G. Seiden, Esq.  
September 11, 2009

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The answer to Question 1 is that the Legal Regulation Rent to be entered in Line 14 of the Initial Apartment Registration form is \$1,000, as that is the rent set by and approved by HPD and HDC. However, the amount to be entered in Line 15a of the form, the Actual Rent Paid, should be the sum of the rent paid by the tenant and by Section 8, and this amount should not exceed \$1,000. Any amount of rent collected by the owner in excess of \$1,000, would be considered a rent overcharge.

The answer to Question 2 is "yes".

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

Sincerely,



Michael B. Rosenblatt  
Deputy Counsel  
Office of Rent Administration

BF/lc

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cc: Leslie Torres  
Bruce Falbo  
Sheldon Melnitsky  
Nancy Batterman, HPD