

---

**THE CITY OF NEW YORK  
RENT GUIDELINES BOARD**

**Order No. 6—Rent Levels July 1, 1974 through June 30, 1975**

PURSUANT TO THE AUTHORITY VESTED IN IT BY THE RENT STABILIZATION Law of 1969 and Chapter 576 of the Laws of 1974, implemented by Resolution Number 276 of the New York City Council, the Rent Guidelines Board hereby establishes and adopts the following levels of fair rent increase over lawful rents charged and paid on June 30, 1974 (including the "stabilizer," if any) for dwelling units continuously subject to the Rent Stabilization Law of 1969 on and before the local effective date of Chapter 576 (other than hotel dwelling units).

**Lease Adjustments**

- For one year leases expiring before July 1, 1976: 8½ per cent.
- For two year leases expiring before July 1, 1977: 10½ per cent.
- For three year leases expiring before July 1, 1978: 12 per cent.

**Stabilizer**

The ½ per cent "stabilizer" established under Order No. 4 shall remain in effect on leases entered into before July 1, 1973 until the expiration of such leases.

Leases on dwelling units receiving partial tax exemption pursuant to Sections 421 and 423 of the Real Property Tax Law—

Where a dwelling unit is in a structure subject to the Partial Tax Exemption program under Section 421 of the Real Property Tax Law, or in a structure subject to Section 423 of the Real Property Tax Law as a Redevelopment Project, permissible percentage increases for all leases will be:

- For one year leases expiring before July 1, 1976: 6½ per cent.
- For two year leases expiring before July 1, 1977: 8½ per cent.
- For three year leases expiring before July 1, 1978: 10 per cent.

Furthermore, nothing in this Order shall prohibit the inclusion of a lease provision for an annual or other periodic rent increase over the initial rent at an average rate of not more than 2.2 per cent per annum where the dwelling unit is receiving partial tax exemption pursuant to Section 421 of the Real Property Tax Law and the Regulations adopted pursuant thereto or, where applicable, such rate of rental increase as is provided for and authorized by Section 423 of the Real Property Tax Law. The cumulative but not compounded charge of up to 2.2 per cent per annum as provided by Section 421 or the rate provided by Section 423 is in addition to the amount permitted under this section of the Guideline Order for leases.

**Fractional Terms**

Except as to leases on vacant apartments, for the purpose of these guidelines any lease or tenancy for a period up to and including one year shall be deemed a one year lease or tenancy; the same for a period over one year and up to and including two years shall be deemed a two year lease; and the same for a period over two years and up to and including three years shall be deemed a three year lease. As to leases on vacant apartments, for the purpose of these guidelines any lease for a period from one year to less than two years shall be deemed a one year lease; the same for a period from two years to less than three years shall be deemed a two year lease; and the same for a period of three years or more shall be deemed a three year lease.

**Escalator Clauses**

Where a lease for a dwelling unit in effect on May 31, 1968 contained an escalator clause for increased costs of operation and such clause is still in effect, the lawful rental on June 30, 1974 over which the fair rent under this Order is computed shall include the increased rental, if any due under such clause. Moreover, where a lease contained such an escalator clause, unless the owner elects or has elected in writing to delete such clause effective no later than July 1, 1970 from the existing lease and all subsequent leases for such dwelling unit, the increased rental, if any, due under such escalator clause shall be offset against the amount of increase permissible under this Order.

**Decontrolled Units**

The permissible percentage increases for decontrolled units under Order 3A remain in effect for units covered by such order.

**Credits**

Rental charged and paid in excess of the levels of fair rent increase established by this Order shall be fully credited against the next month's rent.

Dated: June 27, 1974.

EMANUEL TOBIER, Chairman, Rent Guidelines Board.

Filed with City Clerk: June 28, 1974.

jy5

THE CITY OF NEW YORK  
RENT GUIDELINES BOARD

Order No. 6a -- Rent Levels July 1, 1974 through June 30, 1975

Pursuant to the authority vested in it by the Rent

Stabilization Law and Chapter 576 of the Laws of 1974, implemented by Resolution No. 276 of the New York City Council, the Rent Guidelines Board hereby establishes and adopts, in conjunction with Order Number 6, the following levels of fair rent increase over lawful rents charged and paid on June 30, 1974 for dwelling units which were subject to the Rent Stabilization Law or the Rent and Rehabilitation Law on June 30, 1971 and which became vacant between July 1, 1971 and June 30, 1974, for dwelling units not previously subject to either the Rent Stabilization Law or the Rent and Rehabilitation Law prior to the local effective date of Chapter 576 (other than hotel dwelling units), and for dwelling units previously subject to the Rent and Rehabilitation Law but subsequently decontrolled for a reason other than vacancy.

*Lease Adjustments*

- For one year leases expiring before July 1, 1976: *8-1/2 per cent*
- For two year leases expiring before July 1, 1977: *10-1/2 per cent*
- For three year leases expiring before July 1, 1978: *12 per cent*

*Fractional Terms*

Except as to leases on vacant apartments, for the purpose of these guidelines any lease or tenancy for a period up to and including one year shall be deemed a one year lease or tenancy; the same for a period over one year and up to and including two years shall be deemed a two year lease; and the same for a period over two years and up to and including three years shall be deemed a three year lease. As to leases on vacant apartments, for the purpose of these guidelines any lease for a period from one year to less than two years shall be deemed a one year lease; the same for a period from two years to less than three years shall be deemed a two year lease; and the same for a period of three years or more shall be deemed a three year lease.

*Electrical Inclusion Adjustment*

In addition to the lease adjustment permitted under Rent Guideline Orders Nos. 6 and 6a, a lease for a dwelling unit for which the owner supplies full electrical service for which there is no additional cost charged to the tenant in addition to rent, the applicable lease adjustment as established by such Orders may be increased by no more than 1-1/2 per cent. This provision shall apply only to leases commencing on or after September 1, 1974.

*Escalator Clauses*

Where a lease for a dwelling unit in effect on May 31, 1968 contained an escalator clause for increased costs of operation and such clause is still in effect, the lawful rental on June 30, 1974 over which the fair rent under this Order is computed shall include the increased rental, if any, due under such clause. Moreover, where a lease contained such an escalator clause, unless the owner elects or has elected in writing to delete such clause, effective no later than July 1, 1974 from the existing lease and all subsequent leases for such dwelling unit, the increased rental, if any, due under such escalator clause shall be offset against the amount of increase permissible under this Order.

*Credits*

Rental charged and paid in excess of the levels of fair rent increase established by this Order shall be fully credited against the next month's rent.

**THE CITY OF NEW YORK  
RENT GUIDELINES BOARD**

**Order No. 6a—Rent Levels July 1, 1974 through June 30, 1975**

PURSUANT TO THE AUTHORITY VESTED IN IT BY THE RENT STABILIZATION Law and Chapter 576 of the Laws of 1974, implemented by Resolution No. 276 of the New York City Council, the Rent Guidelines Board hereby establishes and adopts, in conjunction with Order Number 6, the following levels of fair rent increase over lawful rents charged and paid on June 30, 1974 for dwelling units which were subject to the Rent Stabilization Law or the Rent and Rehabilitation Law on June 30, 1971 and which became vacant between July 1, 1971 and June 30, 1974, for dwelling units not previously subject to either the Rent Stabilization Law or the Rent and Rehabilitation Law prior to the local effective date of Chapter 576 (other than hotel dwelling units), and for dwelling units previously subject to the Rent and Rehabilitation Law but subsequently decontrolled for a reason other than vacancy.

*Lease Adjustments*

- For one year leases expiring before July 1, 1976: 8½ per cent
- For two year leases expiring before July 1, 1977: 10½ per cent
- For three year leases expiring before July 1, 1978: 12 per cent

*Fractional Terms*

Except as to leases on vacant apartments, for the purpose of these guidelines any lease or tenancy for a period up to and including one year shall be deemed a one year lease or tenancy; the same for a period over one year and up to and including two years shall be deemed a two year lease; and the same for a period over two years and up to and including three years shall be deemed a three year lease. As to leases on vacant apartments, for the purpose of these guidelines any lease for a period from one year to less than two years shall be deemed a one year lease; the same for a period from two years to less than three years shall be deemed a two year lease; and the same for a period of three years or more shall be deemed a three year lease.

*Electrical Inclusion Adjustment*

In addition to the lease adjustment permitted under Rent Guideline Orders Nos. 6 and 6a, a lease for a dwelling unit for which the owner supplies full electrical service for which there is no additional cost charged to the tenant in addition to rent, the applicable lease adjustment as established by such Orders may be increased by no more than 1½ per cent. This provision shall apply only to leases commencing on or after September 1, 1974.

*Escalator Clauses*

Where a lease for a dwelling unit in effect on May 31, 1968 contained an escalator clause for increased costs of operation and such clause is still in effect, the lawful rental on June 30, 1974 over which the fair rent under this Order is computed shall include the increased rental, if any, due under such clause. Moreover, where a lease contained such an escalator clause, unless the owner elects or has elected in writing to delete such clause, effective no later than July 1, 1974 from the existing lease and all subsequent leases for such dwelling unit, the increased rental, if any, due under such escalator clause shall be offset against the amount of increase permissible under this Order.

*Credits*

Rental charged and paid in excess of the levels of fair rent increase established by this Order shall be fully credited against the next month's rent.

**EXPLANATORY STATEMENT OF THE RENT GUIDELINES BOARD  
UPON ISSUANCE OF ORDER NO. 6a—  
JULY 1, 1974 THROUGH JUNE 30, 1975**

The Rent Guidelines Board must establish annually guidelines for rent adjustment relating to vacancy and renewal leases for property subject to the Rent Stabilization Law and Chapter 576 of the Laws of 1974, implemented by Resolution No. 276 of the New York City Council. In establishing such levels of rent adjustments, the Rent Guidelines Board must consider:

- (1) the economic condition of the real estate industry in New York City;

provided, however, that these increases shall not go into effect to the extent they increase the initial Legal Regulated Rent above the levels defined below:

A. For dwelling units which were subject to the Rent and Rehabilitation Law on June 30, 1971 and which become subject to the Rent Stabilization Law on or after July 1, 1974:

1. Where the tenant elects a one-year lease term, the owner may charge that portion of the 8½ per cent one-year lease increase which does not cause the rent to exceed 27 per cent above the 1972-1973 maximum rent which was or would have been in effect for that dwelling unit pursuant to the City Rent and Rehabilitation Law (hereinafter, the "1972-1973 maximum rent").

*Example:* The "1972-1973 maximum rent" is \$200 per month. The Initial Legal Regulated Rent is \$250 per month. The tenant requests a one-year lease term. The owner may charge tenant a rent not exceeding \$254 per month or 27 per cent above the "1972-1973 maximum rent" during the term of said one-year lease.

2. Where the tenant elects a two-year lease term:

(a) For the *first* year of the lease, the owner may charge that portion of the 10½ per cent two-year lease increase which does not cause the rent to exceed 27 per cent above the "1972-1973 maximum rent"; and

(b) for the *second* year of the lease, the owner may charge that portion of the 10½ per cent two-year lease increase which does not cause the rent to exceed 8½ per cent above the Initial Legal Regulated Rent or 27 per cent above the "1972-1973 maximum rent", whichever is greater.

*Example:* The "1972-1973 maximum rent" is \$200 per month. The Initial Legal Regulated Rent is \$250 per month. The tenant requests a two-year lease term. For the first year of the lease, the owner may charge tenant a rent not exceeding \$254 per month or 27 per cent above the "1972-1973 maximum rent". For the second year of the lease, the owner may charge a rent not exceeding \$271.25 per month or 8.5 per cent above the Initial Legal Regulated Rent.

3. Where the tenant elects a three year lease term:

(a) for the *first* year of the lease, the owner may charge that portion of the 12 per cent three-year lease increase which does not cause the rent to exceed 27 per cent above the "1972-1973 maximum rent"; and

(b) for the balance of the lease term, the owner may charge that portion of the 12 per cent three-year lease increase which does not cause the rent to exceed 10½ per cent above the Initial Legal Regulated Rent or 27 per cent above the "1972-1973 maximum rent", whichever is greater.

*Example:* The "1972-1973 maximum rent" is \$200 per month. The Initial Legal Regulated Rent is \$250 per month. The tenant requests a three-year lease term. For the first year of the lease, the owner may charge tenant a rent not exceeding \$254 per month or 27 per cent above the "1972-1973 maximum rent". For the second and third years of the lease, the owner may charge a rent not exceeding \$276.25 per month or 10½ per cent above the Initial Legal Regulated Rent.

B. For dwelling units which were subject to the Rent Stabilization Law on June 30, 1971 were destabilized due to a vacancy occurring between July 1, 1971 and June 30, 1974, become and have been placed under the Rent Stabilization Law again effective July 1, 1974:

1. Where the tenant elects a one-year lease term, the owner may charge that portion of the 8½ per cent one-year lease increase which does not cause the rent to exceed 27 per cent above the December 31, 1973 rent which was or would have been in effect for that dwelling unit pursuant to the Rent Stabilization Law (hereinafter, the "December 31, 1973 rent").

*Example:* The "December 31, 1973 rent" is \$300 per month. The Initial Legal Regulated Rent is \$375 per month. The tenant requests a one-year lease term. The owner may charge tenant a rent not exceeding \$381 per month or 27 per cent above the "December 31, 1973 rent" during the term of said one year lease.

2. Where the tenant elects a two-year lease term:

(a) for the *first* year of the lease, the owner may charge that portion of the 10½ per cent two-year lease increase which does not cause the rent to exceed 27 per cent above the "December 31, 1973 rent"; and

(b) for the *second* year of the lease, the owner may charge that portion of the 10½ per cent two-year lease increase which does not cause the rent to exceed 8½ per cent above the Initial Legal Regulated Rent or 27 per cent above the December 31, 1973 rent", whichever is greater.

*Example:* The "December 31, 1973 rent" is \$300 per month. The Initial Legal Regulated Rent is \$375 per month. The tenant requests a two-year lease term. For the first year of the lease, the owner may charge tenant a rent not exceeding \$381 per month or 27 per cent above the "December 31, 1973 rent". For the second year of the lease, the owner may charge a rent not exceeding \$406.87 per month or 8.5 per cent above the Initial Legal Regulated Rent.

3. Where the tenant elects a three-year lease term:

(a) for the *first* year of the lease, the owner may charge that portion of the 12 per cent three-year lease increase which does not cause the rent to exceed 27 per cent above the "December 31, 1973 rent"; and

(b) for the balance of the lease term, the owner may charge that portion of the 12 per cent three year lease increase which does not cause the rent to exceed 10½ per cent above the Initial Legal Regulated Rent or 27 per cent above the "December 31, 1973 rent", whichever is greater.

*Example:* The "December 31, 1973 rent" is \$300 per month. The Initial Legal Regulated Rent is \$375 per month. The tenant requests a three-year lease term. For the first year of the lease, the owner may charge tenant a rent not exceeding \$381 per month or 27 per cent above the "December 31, 1973 rent". For the second and third years of the lease, the owner may charge a rent not exceeding \$414.37 per month or 10½ per cent above the Initial Legal Regulated Rent.

This Supplemental Order shall be effective as of July 1, 1974 the date on which the Rent Guidelines Board Order No. 6a took effect.

The owner shall be required, upon offering leases to the category of tenants covered by this Supplemental Order, including those tenants who have already executed leases under Rent Guidelines Board Order No. 6a to furnish the tenant with a rent computation reflecting the limitations provided in this Supplemental Order on forms approved by the Conciliation and Appeals Board.

Dated: September 27, 1974.

Filed with City Clerk: September 27, 1974.

02 EMANUEL TOBIER, Chairman, Rent Guidelines Board.

**THE CITY OF NEW YORK  
RENT GUIDELINES BOARD**

**Supplemental Order No. 6a Modifying Rent Guidelines Order No. 6a In Part**

THE RENT GUIDELINES BOARD IS MANDATED UNDER THE RENT STABILIZATION Law as amended by Chapter 576, Laws of 1974, to issue annual guidelines for lease rent adjustments.

By statute the Board is established as a temporary body with meetings limited to ten days a year for its membership, fifteen for its Chairman and no funding for full time staff.

Thus, the system contemplates that the Board develop the percentages from studies performed by outside, independent sources based on a sampling of the housing stock under the system and the Board has been fortunate in having been able to contract with the Bureau of Labor Statistics, United States Department of Labor, for annual studies designed expressly for this purpose.

Until now, the stock in the stabilization system was homogeneous, consisting mainly of apartments in post-World War II buildings with a small percentage of pre-war decontrolled higher rent units. Effective July 1, 1974, this was expanded to include a substantial number of pre-war vacancy decontrolled apartments as well as a variety of other, different kinds of housing.

At the same time, a new Rent Guidelines Board was established by a State law amending the Rent Stabilization Law and on June 8, 1974, a new Rent Guidelines Board was appointed pursuant to such amendment.

As indicated, the most comprehensive study of economic conditions of the residential real estate industry in the City of New York available for this new Board's use in fulfilling its obligations to promptly issue guidelines orders for the year July 1, 1974 through June 30, 1975 was the 1973-1974 Bureau of Labor Statistics study of post-war housing. Separate studies compiled for the Temporary State Commission on Living Costs and the Housing and Development Administration were also studied and support the Board's conclusion that the rise in operating expenses reported in the Bureau of Labor Statistics study is substantially applicable to pre-World War II housing. The Rent Guidelines Board, therefore, was and remains satisfied that the 8 1/2, 10 1/2 and 12 per cent percentages derived therefrom properly reflect fair rent adjustments for one, two or three year lease terms if an owner is to meet his service and maintenance requirements under the Rent Stabilization System.

This does not mean that the Board was not cognizant that the increases traditionally developed from Bureau of Labor Statistics studies have been built upon conditions controlled by the Rent Stabilization Law since 1968. Thus, the increases, based on one, two or three year lease terms, are designed to maintain a balance between income and expenses. The Board was aware that the justification for passing along the latest rise in operating expenses is impaired to the extent this balance may have been abandoned by certain owners charging exorbitant increases in rent during the period between July 1, 1971 and June 30, 1974 when vacancy decontrol was in effect. Albeit, the Board believed that it was precluded from considering spiralling rent increases during the period of decontrol and was constrained to start from the June 30, 1974 base date for income and expenses. The Board has since received an opinion from the Corporation Counsel of The City of New York with which the Attorney General of the State of New York concurs, that it could have considered the magnitude of rentals initially charged during the period of vacancy decontrol when promulgating its Guidelines Order No. 6a, and further, that it has the power by law to reconsider, amend and/or modify its previous Order to reflect such factor.

Accordingly, after reviewing the statistics available in reports prepared by the State of New York and The City of New York as to the effects of vacancy decontrol on rents, and mindful of its mandate under the law to take action necessary to preserve rental housing in the City while at the same time preventing speculative, unwarranted and abnormal increases in rent:

PURSUANT TO THE AUTHORITY VESTED IN IT BY THE RENT STABILIZATION Law and as amended by Chapter 576, Laws of 1974, the Rent Guidelines Board hereby modifies and amends Rent Guidelines Board Order No. 6a as follows:

*Applicability*

This Supplemental Order modifies the provisions of Rent Guidelines Board Order No. 6a as it applies to dwelling units which were subject to the City Rent and Rehabilitation Law or the Rent Stabilization Law on June 30, 1971, were thereafter vacancy decontrolled or destabilized pursuant to Chapter 371, Laws of 1971, and become subject to the jurisdiction of the Rent Stabilization Law on July 1, 1974 or thereafter by virtue of Chapter 576, Laws of 1974 and City Council Resolution No. 276.

*Lease Adjustments*

- For one year leases expiring before July 1, 1976: 8 1/2 per cent above the Initial Legal Regulated Rent\*;
- For two year leases expiring before July 1, 1977: 10 1/2 per cent above the Initial Legal Regulated Rent;
- For three year leases expiring before July 1, 1978: 12 per cent above the Initial Legal Regulated Rent;

\* The Initial Legal Regulated Rent is the rent charged and paid on June 30, 1974 or the date on which the dwelling unit first becomes subject to the Rent Stabilization Law, whichever is later.

Order No. 6b – Rent Levels July 1, 1974 through June 30, 1975

Pursuant to the authority vested in it by the Rent

Stabilization Law and Chapter 576 of the Laws of 1974, implemented by Resolution No. 276 of the New York City Council, the Rent Guidelines Board hereby establishes and adopts, in conjunction with Orders 6 and 6a, the Special Guideline mandated by Section 12 of Chapter 576 of the Laws of 1974 amending Section YY51-6.0.2b.1 of the New York City Administrative Code.

*Special Guidelines*

In order to aid the Conciliation and Appeals Board in determining fair market rents for housing accommodations as to applications for adjustment of the initial regulated rent as may be requested by tenants, the Rent Guidelines Board hereby establishes as guidelines:

(a) for dwelling units subject to the City Rent and Rehabilitation Law on June 30, 1971 which became vacant after December 31, 1973 and prior to July 1, 1974, and for dwelling units subject to the Rent and Rehabilitation Law on June 30, 1974 which subsequently become vacant, the 1974 maximum rent as it existed or would have existed, plus 15 per cent; and

(b) for dwelling units subject to the Rent Stabilization Law on June 30, 1971, and which became vacant after December 31, 1973 but prior to July 1, 1974, the maximum rent that was or would have been in effect under the Rent Stabilization Law on December 31, 1973 as adjusted by the one year lease adjustment relating to that type of housing accommodation as contained in Rent Guidelines Orders 6 and 6a, plus 15 per cent.

**EXPLANATORY STATEMENT OF THE RENT GUIDELINES BOARD  
UPON ISSUANCE OF ORDER NUMBER 6b –  
JULY 1, 1974 THROUGH JUNE 30, 1975**

In arriving at the Special Guidelines, the Board took into account the relationship that had developed between market rents and controlled rents in the period during which vacancy decontrol was in effect. The data that was developed to document this relationship were based upon studies carried on by the Housing and Development Administration and were further based upon reports by other governmental agencies that were submitted to the Rent Guidelines Board. These various studies showed that there was a 15 to 20 per cent difference between market rents and maximum rents in the period between 1971 and 1974. This relationship was adopted as a standard for the Board's determination of Special Guidelines.

This Special Guideline is created to aid the Conciliation and Appeals Board in determining "fair market rents" for housing accommodations as to which tenants may appeal the amount of the initial legal regulated rent.

Dated: August 27, 1974

Filed with the City Clerk August 29, 1974

EMANUEL TOBIER  
Chairman  
Rent Guidelines Board

THE CITY OF NEW YORK  
RENT GUIDELINES BOARD

Order No. 6c—Rent Levels July 1, 1974 Through June 30, 1975

PURSUANT TO THE AUTHORITY VESTED IN IT BY THE RENT

Stabilization Law of 1969 and Chapter 576 of the Laws of 1974, implemented by Resolution No. 276 of the New York City Council, and after reconsideration pursuant to the order of the Supreme Court, New York County, in *Associated Builders and Owners of Greater New York, Inc. v. The Rent Guidelines Board* and *Blag Holding Co. v. Starr*, The Rent Guidelines Board hereby modifies and amends Rent Guidelines Board's Orders Nos. 6, 6a and 6a Supplemental by establishing and adopting the following levels of fair rent increase over lawful rents charged and paid on June 30, 1974 (including the "stabilizer," if any), for dwelling units continuously subject to the Rent Stabilization Law of 1969 on and before the local effective date of Chapter 576 (other than hotel dwelling units), for dwelling units which were subject to the Rent Stabilization Law or the Rent and Rehabilitation Law on June 30, 1971, and which became vacant between July 1, 1971 and June 30, 1974, for dwelling units not previously subject to either the Rent Stabilization Law or the Rent and Rehabilitation Law prior to the local effective date of Chapter 576 (other than hotel dwelling units), and for dwelling units previously subject to the Rent and Rehabilitation Law but subsequently decontrolled for a reason other than vacancy.

*Lease Adjustments*

In addition to a one-half of one per cent increase here referred to as a "stabilizer," which is subject to adjustment in subsequent years of the lease as explained below:

- For one-year leases expiring before July 1, 1976, 8½ per cent
- For two-year leases expiring before July 1, 1977, 10½ per cent
- For three-year leases expiring before July 1, 1978, 12 per cent

*Leases on Dwelling Units Receiving Partial Tax Exemption Pursuant to Sections 421 and 423 of the Real Property Tax Law*

Where a dwelling unit is in a structure subject to the Partial Tax Exemption program under Section 421 of the Real Property Tax Law, or in a structure subject to Section 423 of the Real Property Tax Law as a Redevelopment Project, permissible percentage increases for all leases will be, in addition to a one-half of one per cent increase here referred to as a "stabilizer," which is subject to adjustment in subsequent years of the lease as explained below:

- For one year leases expiring before July 1, 1976, 6½ per cent
- For two-year leases expiring before July 1, 1977, 8½ per cent
- For three-year leases expiring before July 1, 1978, 10 per cent

Furthermore, nothing in this Order shall prohibit the inclusion of a lease provision for an annual or other periodic rent increase over the initial rent at an average rate of not more than 2.2 per cent per annum where the dwelling unit is receiving partial tax exemption pursuant to Section 421 of the Real Property Tax Law and the Regulations adopted pursuant thereto or, where applicable, such rate of rental increase as is provided for and authorized by Section 423 of the Real Property Tax Law. The cumulative but not compounded charge of up to 2.2 per cent per annum as provided by Section 421 or the rate provided by Section 423 is in addition to the amount permitted under this section of the Guideline Order for Leases.

*Stabilizers*

The one-half of one per cent increase affecting all leases and to be known as a "stabilizer" is designed to adjust for changes in the cost of capital during the survey period. This

charge for 1974-1975 is subject to adjustment by the Rent Guidelines Board on any anniversary of this order. No such adjustment will increase or decrease the rent (including "stabilizer") by more than one per cent in any year of the lease and shall not merge with the base rent for purpose of computing any subsequent rent or lease adjustment.

In addition, the "stabilizers" charged in leases pursuant to previous Orders of this Board shall remain in effect until the expiration of such leases.

*Electrical Inclusion Adjustment*

In addition to the lease adjustment permitted under Rent Guideline Orders Nos. 6 and 6a, a lease for a dwelling unit for which the owner supplies full electrical service for which there is no additional cost charged to the tenant in addition to rent, the applicable lease adjustment as established by such Orders may be increased by no more than 2½ per cent. This provision shall apply only to leases commencing on or after September 1, 1974.

*Escalator Clauses*

Where a lease for a dwelling unit in effect on May 31, 1968, contained an escalator clause for increased costs of operation and such clause is still in effect, the lawful rental on June 30, 1974, over which the fair rent under this Order is computed shall include the increased rental, if any, due under such clause. Moreover, where a lease contained such an escalator clause, unless the owner elects or has elected in writing to delete such clause, effective no later than July 1, 1974, from the existing lease and all subsequent leases for such dwelling unit, the increased rental, if any, due under such escalator clause shall be offset against the amount of increase permissible under this Order.

*Decontrolled Units*

The permissible percentage increases for decontrolled units under Order 3A remain in effect for units covered by such order.

*Credits*

Rental charged and paid in excess of the levels of fair rent increase established by this order shall be fully credited against the next month's rent.

*Supplemental Order No. 6a*

The provisions of Rent Guidelines Board Order No. 6c shall apply to leases affected by Supplemental Order No. 6a. Other than as hereinabove provided, the rent increase limitations contained in the Rent Guidelines Board's Order No. 6a Supplement remain in full force and effect.

Dated: February 7, 1975.

EMANUEL TOBIER

Chairman,

Filed with City Clerk: February 7, 1975.

Rent Guidelines Board