

THE CITY RECORD

MONDAY, JULY 24, 1989

NEW YORK CITY RENT GUIDELINES BOARD

Regulations.

July 7, 1989

ORDER NUMBER 21 - Apartments and Lofts, Rent levels for Leases Commencing October 1, 1989 through September 30, 1990.

NOTICE IS HEREBY GIVEN PURSUANT TO THE AUTHORITY VESTED IN THE NEW YORK CITY RENT GUIDELINES BOARD BY THE RENT STABILIZATION LAW OF 1969 and Chapter 576 of the Laws of 1974, implemented by Resolution No 276 of 1974 of the New York City Council and extended by Chapter 203 of the Laws of 1977, and further extended by Chapter 383 of the Laws of 1981, Chapter 403 of the Laws of 1983, Chapter 248 of the Laws of 1985, and Chapter 65 of the Laws of 1987, and in accordance with the requirements of Section 1043 of the New York City Charter that the Rent Guidelines Board hereby adopts as final orders the following levels of fair rent increases over lawful rents charged and paid on September 30, 1989 (including the "stabilizer" and excluding the "April 1979 fuel adjustment" if any) for apartments subject to the Rent Stabilization Law of 1969, as amended, for leases commencing on or after October 1, 1989 and through September 30, 1990. Final rent guidelines for loft units subject to Chapter 349 of the Laws of 1982, Section 286 paragraph 7 of the Multiple Dwelling Law are also included in this notice.

ADJUSTMENT FOR RENEWAL LEASES

Together with such further adjustments as may be authorized by the Board, as explained below:

--For one year lease expiring before October 1, 1991: 5.5%

--For two year lease expiring before October 1, 1992: 9%

These adjustments shall also apply to dwelling units 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.

LEASES ON VACANT APARTMENTS

Where a dwelling unit becomes vacant, the levels of rent increase governing a new tenancy commencing on or after October 1, 1989 and on or before September 30, 1990 are the same levels over rentals charged on September 30, 1989 as those set forth above for lease renewals, plus 12% over the rental charged on September 30, 1989.

Any level of rent increase pursuant to this provision relating to leases on vacant apartments may be applied no more than once for leases commencing October 1, 1989 through September 30, 1990.

SUPPLEMENTARY ADJUSTMENT

For a lease for a dwelling unit with a lawful rent of less than \$325 per month on September 30, 1989, the levels of rent increase for renewal and vacancy leases commencing October 1, 1989 through September 30, 1990 are the same as those set forth hereinabove plus \$5 per month, provided the monthly rent resulting from the application of this level of increase or any portion thereof does not exceed the rent that would result from application of the allowable levels of rent increase for renewal and vacancy leases to an apartment renting for \$325 per month on September 30, 1989. This limitation is as follows:

For renewal leases of:

- one year.....\$342.88 per month.
- two years.....\$354.25 per month.

Where the 12% vacancy allowance applies, for vacancy leases of:

- one year.....\$381.88 per month.
- two years.....\$393.25 per month.

No tenant shall be affected by the supplementary adjustment under Order 21 if they signed a lease under Order 20 of the Board which included any or all of the supplementary adjustment of up to \$5 for rents below \$325. Vacancy leases signed under Order 21 will not be affected by this restriction.

ELECTRICAL INCLUSION ADJUSTMENT

For a lease for a dwelling unit in which the owner supplies full electrical services for which there is no additional cost charged to the tenant in addition to rent, the applicable lease adjustment as established by this Order is to be the adjustment for renewal and vacancy leases heretofore stated.

ADJUSTMENTS FOR UNITS IN THE CATEGORY OF BUILDINGS COVERED BY ARTICLE 7-C OF THE MULTIPLE DWELLING LAW (LOFTS)

Pursuant to Chapter 349 of the Laws of 1982, Section 286 paragraph 7 of The Multiple Dwelling Law ("MDL"), the following levels of rent increase above the "base rent," as defined in Section 286 paragraph 4 of the MDL, for units where residential renewal leases are offered pursuant to Section 286 paragraph 3 of the MDL, and which commence from October 1, 1989 through September 30, 1990, shall be the same as those set forth hereinabove for renewal leases, with the exception of the supplementary adjustment, which does not apply to loft units:

- For one year leases expiring before October 1, 1991: 5.5%
- For two year leases expiring before October 1, 1992: 9%

Where a dwelling unit in this category of buildings becomes vacant the levels of rent increase governing a new tenancy commencing on or after October 1, 1989 and on or before September 30, 1990 are the same levels over the "base rent" as defined in Section 286, paragraph 4 as set forth hereinabove for renewal leases, plus 12% over the rental charged on September 30, 1989 unless pursuant to paragraph 6, Section 286 of the MDL the owner purchases improvements and thereby the unit is either exempted from the provisions of Article 7-C requiring rent regulation or may be rented at market value subject to subsequent rent regulation.

Any Level of rent increase pursuant to this provision relating to leases on vacancy apartments may be applied no more than once for leases commencing October 1, 1989 through September 30, 1990.

FRACTIONAL TERMS

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, and the same period over one year and up to and including two years shall be deemed a two year lease.

ESCALATOR CLAUSES

Where a lease for a dwelling unit in effect on May 31, 1968 or where a lease in effect on June 30, 1974 for a dwelling unit which became subject to the Rent Stabilization Law of 1969, by virtue of Chapter 576 of the Laws of 1974 and Resolution Number 276 of the New York City Council, extended by Chapter 203 of the Laws of 1977, further extended by Chapter 383 of the Laws of 1981, and by Chapter 403 of the Laws of 1983, Chapter 248 of the Laws of 1985, and by Chapter 65 of the Laws of 1987 contained an escalator clause for the increased costs of operation and such clause is still in effect, the lawful rent on September 30, 1989 over which the fair rent under this Order is computed shall include the increased rental, if any, due under such clause except those charges which accrued within one year of the commencement of the renewal lease. Moreover, where a lease contained an escalator clause that the owner may validly renew under the Code, unless the owner elects or has elected in writing to delete such clause, effective no later than October 1, 1989 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 authorized under this Order.

STABILIZER

The one-half per cent "stabilizer" charged in leases pursuant to previous Orders of the Board shall remain in effect until the expiration of such leases and shall be included in the base rent for the purpose of computing subsequent rent or leases adjusted pursuant to this Order.

SPECIAL GUIDELINE TO UPDATE SPECIAL GUIDELINE 6b

In order to aid the State Division of Housing and Community Renewal in determining fair market rents for housing accommodations as to applications for adjustments of the initial legal regulated rent as may be requested by tenants, the Rent Guidelines Board hereby adopts a special guideline as mandated by Section 9 of Chapter 576 of the Laws of 1974, as extended by Chapter 203 of the Laws of 1977, further extended by Chapter 383 of the Laws of 1981, and Chapter 403 of the Laws of 1983 amending Section 26-513(b)(1) of the New York City Administrative Code, Chapter 248 of the Laws of 1985, and Chapter 65 of the Laws of 1987:

- for dwelling units subject to the Rent and Rehabilitation Law on September 30, 1989, which subsequently become vacant after September 30, 1989, the special guideline shall be the greater of 45% above the maximum collectible rent last charged to a tenant of the unit, or 25% above the 1988-89 maximum base rent as it existed or would have existed, plus the current allowable fuel cost adjustments as established on Rent Control forms, pursuant to Section 2202.13 of the Rent and Eviction Regulations, beginning in 1980.

DECONTROLLED UNITS

The permissible increase for decontrolled units as defined in Order 3a which become decontrolled after September 30, 1989, shall not exceed the greater of 45% above the maximum collectible rent or 25% over the sum of the 1988-89 biennial cycle maximum base rent, as it existed or would have existed, plus the current allowable fuel cost adjustments as established on Rent Control forms, pursuant to Section 2202.13 of the Rent and Eviction Regulations, beginning in 1980.

CREDITS

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

STATEMENT OF BASIS AND PURPOSE

The Rent Guidelines Board is authorized to promulgate rent guidelines governing apartment units subject to the Rent Stabilization Law of 1969, as amended, and the Emergency Tenant Protection Act of 1974, as amended. The purpose of these guidelines is to implement the public policy set forth in Findings and Declaration of Emergency of the Rent Stabilization Law of 1969 (§26-501 of the N.Y.C. Administrative Code) and in the Legislative Finding contained in the Emergency Tenant Protection Act of 1974 (L.1974 c. 576, §4 [§2]).

The Rent Guidelines Board is also authorized to promulgate rent guidelines for loft units subject to Section 286 paragraph 7 of The Multiple Dwelling Law. The purpose of the loft guidelines is to implement the public policy set forth in the Legislative findings of Article 7-C of the Multiple Dwelling Law (Section 280).

Dated: July 19, 1989.

Arthur B. Spector, Chairman
Rent Guidelines Board