



Legislation Text

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Preconsidered Res. No. 328

Resolution calling upon the New York State Legislature to pass and the Governor to sign S.4312, legislation amending the Administrative Code of the City of New York, the Emergency Tenant Protection Act of 1974 and the Emergency Housing Rent Control Law, in relation to making the Major Capital Improvement (MCI) rent increase a temporary surcharge.

By The Speaker (Council Member Johnson) and Council Members Cornegy, Chin, Rosenthal, Torres, Williams, Perkins, Rivera, Kallos and Constantinides

Whereas, According to the 2017 New York City Housing Vacancy Survey, there are 966,000 rent stabilized units and 21,751 rent control units comprising roughly 45 percent of New York City's housing stock; and

Whereas, The application for a Major Capital Improvement (MCI) to the New York State Homes and Community Renewal (HCR) allows owners of rent stabilized and rent controlled units to apply to for a building-wide rent increase based on building-wide improvements; and

Whereas, The MCI rent increase is determined by dividing the cost of the MCI by 96 months for buildings/complexes with 35 or fewer accommodations or 108 months for buildings/complexes with more than 35 housing accommodations, and then allocating that increase among the dwelling units in such building based on the number of rooms in each such unit; and

Whereas, MCI rent increases remain part of the base rent, even after the costs of the MCI have been fully recovered; and

Whereas, Rent increases approved because of MCIs may substantially increase the monthly rent for rent stabilized units; and

Whereas, Once the rent in rent stabilized units reaches \$2,700, the unit may be deregulated upon vacancy or upon tenant incomes reaching \$200,000 two years in a row; and

Whereas, Making MCIs a temporary surcharge would allow owners to recoup the cost of building-wide improvements without contributing to deregulation; and

Whereas, S.4312, sponsored by Senator Krueger and currently pending in the New York State Legislature, would establish a methodology for determining MCI rent surcharges based on a seven-year timeline, require that the surcharge be based on the number of rooms in the building and in the apartment, and require that this surcharge cease once the cost of the MCI has been recovered; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to pass and the Governor to sign S.4312, legislation amending the Administrative Code of the City of New York, the Emergency Tenant Protection Act of 1974 and the Emergency Housing Rent Control Law in relation to making the Major Capital Improvement (MCI) rent increase a temporary surcharge.

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