



Legislation Text

File #: Res 1978-2009, **Version:** *

Res. No. 1978

Resolution calling upon the Commissioner of Housing and Community Renewal to amend the Rent Stabilization Code by creating a review process for rent increases for individual apartments based upon increased services, new equipment installation or improvements to an apartment, and change the structure of Major Capital Improvement and Individual Apartment Increases from being charged in perpetuity to being charged for only five years.

By Council Members Jackson, Brewer, Ferreras, Gentile, James, Mealy, Sanders Jr. and Vann

Whereas, According to New York State law, the Commissioner who heads the State Division of Housing and Community Renewal, (DHCR) has the power to promulgate amendments to the Rent Stabilization Code (RSC) for apartments occupied by approximately more than one million New Yorkers; and

Whereas, DHCR serves the important public duty of establishing safeguards for tenants against unsubstantiated rent increases; and

Whereas, Currently, Section 2522.4(a) of the RSC provides for rent increases based on two categories of improvements made to the apartment or building; and

Whereas, One method of increasing rent is an application based on a Major Capital Improvement (MCI), which is usually a building-wide improvement with rent increases being applied across all apartments, provided for in Section 2522.4(a)(2) of the RSC; and

Whereas, Such increase depends upon an extensive, documented application subject to the review and approval of DHCR; and

Whereas, Any MCI increase is added to the base rent for all future rent increases; and

Whereas, Rent increases pursuant to Section 2522.4(a)(2) of the RSC may substantially increase the monthly rent for rent stabilized units, since an MCI increase is not based on the life of the capital improvement;

and

Whereas, By not having the MCI increase terminate at any point, some tenants may be charged for an improvement long after the landlord has been reimbursed for the cost of the improvement; and

Whereas, The second method of increasing rent is exercised at the landlord's discretion for increased services or installation of new equipment or improvements to individual apartments (IAI), as provided for in Section 2522.4(a)(1) of the RSC; and

Whereas, Such increases require the filing of a notice with DHCR only if the apartment is occupied by a tenant, but otherwise requires no application review or approval by DHCR; and

Whereas, Similar to MCI increases, an IAI is also added to the base rent for all future rent increases; and

Whereas, It is unfair to charge tenants for improvements long after the landlord has recouped his or her cost; and

Whereas, The Commissioner of DHCR should create a review and approval process in the RSC for individual apartment rent increases analogous to those applied to MCIs, in order to reduce the risk of unwarranted rent increases; and

Whereas, Such a review and approval process may result in apartments with more affordable rents, which remain in the Rent Stabilization system for a longer period of time; and

Whereas, A five-year cap for both MCIs and IAIs should also be imposed to help ensure that tenants are not charged for improvements long after the landlord has been compensated for the cost of the improvements; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the Commissioner of Housing and Community Renewal to amend the Rent Stabilization Code by creating a review process for rent increases for individual apartments based upon increased services, new equipment installation or improvements to an apartment, and change the structure of Major Capital Improvement and Individual Apartment Increases from

being charged in perpetuity to being charged for only five years.

BJG
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