



New York State  
Division of Housing and Community Renewal  
Office of Rent Administration

Policy Statement 90-8 (March 23, 1990)

Failure to Maintain Services /  
Processing MCI Applications

This policy statement describes the procedures for processing MCI applications in accordance with Section 2522.4 paragraph 13 of New York City Rent Stabilization Code.

As specified in the Code, "The DHCR shall not grant an owner's application for a rental adjustment...in whole or in part, if it is determined by the DHCR prior to the granting of approval to collect such adjustment that the owner is not maintaining all required services, or that there are current immediately hazardous violations of any municipal, county, state or federal law which relate to the maintenance of such services. However, as determined by the DHCR, such application may be granted upon condition that such services will be restored within a reasonable time, and certain tenant-caused violations may be excepted."

Where there is a DHCR order in effect determining a failure to maintain a building-wide service which resulted in a rent reduction, when an MCI rent increase is applied for, an order of denial of the MCI application will be issued. However, if the owner has filed for a rent restoration with DHCR, the pending restoration application will be expedited. The MCI application will be held until the restoration application has been determined. If it is granted, the prospective MCI increase will be collectible from the effective date of the MCI order and the retroactive increase will only be collectible for those periods in which there was no rent reduction order in effect.

Where there is a DHCR order in effect determining a failure to maintain services in an individual apartment(s), and an MCI rent increase is approved, the MCI order will be issued for the entire building granting the rent increase. However, until a restoration order is issued for the individual apartment(s), the owner is barred from collecting the prospective increase and any retroactive increase is forfeited for the period during which a rent reduction order was in effect.

Where a Petition for Administrative Review (PAR) has been filed by the owner against a building-wide service reduction, the PAR proceeding will be expedited. If the service reduction is overturned by the PAR Unit, then the MCI application will be processed disregarding the service reduction. Where the PAR is decided against the owner, and the service reduction is still in effect, an order of denial of the MCI application will be issued.

Processing of MCI applications will include consideration of relevant tenant comments received within the thirty (30) day time limit. Those comments which are pertinent to the MCI installation will be examined by the MCI Section. Until the order is issued, there are no time restrictions for reporting immediately hazardous conditions to the MCI Section.

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The original document which contains signatures of authori-

Where the tenant submits a comment alleging that there are immediately hazardous conditions in the building, the MCI Section will inform the owner of all comments submitted. Upon receipt of the owner's response, an inspection, if necessary, will be ordered. If immediately hazardous conditions are found to exist, the MCI application will be denied. The owner may reapply when the condition is remedied.

Where an order of denial is issued due to a DHCR order finding a building-wide failure to maintain services, the two year statute of limitations for filing an MCI application will be waived only if the owner restores services and files for a rent restoration within sixty (60) days of the service reduction order and refiles the MCI application within ninety (90) days of the MCI denial order.

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