

## **DHCR J-51 Registration and Rent-Revision Initiative**

### **Buildings that may be out of Compliance due to Failure to Register in 2018**

The law requires that owners of buildings with J-51 tax benefits treat rental apartments in those buildings as rent stabilized and register those buildings and rental apartments with DHCR. Rental apartments in buildings with J-51 tax benefits cannot be deregulated or permanently exempt from rent stabilization based on high rent or for any other reason. While there are limited exceptions to the stabilization/registration requirement (for example, if the building is subject another form of rent regulation it may not be required to register with DHCR), the exceptions are few.

To achieve owner compliance and to alert tenants who may be affected, a list of addresses of buildings that appeared to be out of compliance with the above registration requirement, as of December 10, 2018, is posted below. While the list below was created in good faith, inaccuracies may exist due to limitations of the source information, discrepancies in building addresses/building identifiers, exemptions from stabilization or filing requirements, recent owner compliance and other reasons.

If you are an owner of a building listed below and believe your building is improperly listed below as out of compliance, you must respond to DHCR with a detailed explanation, in writing, by contacting DHCR's J51 Registration Enforcement Unit at 92-31 Union Hall Street, Jamaica, NY 11433 or by email at [EnforcementUnit@nyshcr.org](mailto:EnforcementUnit@nyshcr.org)

If you are a tenant in a building listed below and believe your owner has either treated your apartment as inappropriately deregulated or otherwise not followed the rent stabilization law, you may wish to make further inquiry regarding your specific apartment. For apartment rent histories, please utilize one of the following, [form REC-1](#) or send an email to [ORAreCORDS@nyshcr.org](mailto:ORAreCORDS@nyshcr.org) . For information on your rights and relevant complaint forms access this link <http://www.nyshcr.org/Rent/infobytopic.htm> and/or contact [rentinfo@nyshcr.org](mailto:rentinfo@nyshcr.org)

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### **List of Buildings that may be out of Compliance due to Failure to Register in 2018**

According to NYC Department of Finance records and/or other available data, the buildings listed below received a J-51 tax benefit covering the period of July 1, 2017 to June 30, 2018. Records further indicate that, with respect to 2018, the respective owners have failed to register the listed building with DHCR, as rent stabilized. To correct this, owners are required to:

- 1) Register the identified building with DHCR for the 2018 annual registration cycle, reflecting the rent regulated status and reformed rent (see paragraph # 3) for each rental unit. Owners must include the new count of rent stabilized apartments in the Registration Summary Form. Owners must register using DHCR's online filing system. The online filing system and the Instructions can be found at [www.nyshcr.org/Apps/RentReg/](http://www.nyshcr.org/Apps/RentReg/).

If you have already registered with DHCR for the 2018 annual registration cycle, but improperly listed any apartments as exempt from rent stabilization, you must amend the 2018 DHCR registration to correct the status of those apartments, reflecting the rent regulated status and reformed rent for all rental units. You must file your amended registration with the DHCR's Rent Registration Unit located at 92-31 Union Hall Street, Jamaica, NY 11433. Instructions on amending a previously submitted registration can be found at:

[www.nyshcr.org/Apps/RentReg/RestrictionsOnFilingRegistrationAmendments.pdf](http://www.nyshcr.org/Apps/RentReg/RestrictionsOnFilingRegistrationAmendments.pdf)  
and [http://www.nyshcr.org/Apps/RentReg/Registration\\_Add-On.pdf](http://www.nyshcr.org/Apps/RentReg/Registration_Add-On.pdf).

Note - Amendments for prior registration years will not be accepted without a Court order or a specific DHCR directive pertaining to your building.

- 2) A copy of the 2018 apartment registration form, indicating the proper registration status and reformed rent must be served on the tenants of each unit. and prior to the expiration of the current lease, provide the tenant with a rent stabilized lease renewal offer, reflecting the reformed rent, accompanied by required supporting documents.
- 3) Rent for each apartment improperly treated as deregulated must be reformed (adjusted to comply with the rent stabilization laws). The reformed rent must be

calculated in accordance with the law and cannot exceed the rent actually being paid by the tenant. Additionally, appropriate rent refunds must be made to tenants currently or previously overcharged, in the last four years, due to improper deregulation or improper rent calculation.

NOTE: The specific formula for calculating rent and rent overcharges remains the subject of significant litigation. On August 16, 2018, in *Matter of Regina Metropolitan Co., LLC v New York State Div. of Housing & Community Renewal*, 2018 NY Slip Op 05797, [http://nycourts.gov/reporter/3dseries/2018/2018\\_05797.htm#7CASE](http://nycourts.gov/reporter/3dseries/2018/2018_05797.htm#7CASE), the Appellate Division First Department issued a decision inconsistent with DHCR's prior guidance regarding the methodology for calculating reformed rent. DHCR has sought further appellate review of this decision. Note that the part of DHCR's guidance advising that units are subject to rent stabilization and that rents charged must be consistent with the Rent Stabilization Law, remains unchanged. You may wish to speak to an attorney for updates and clarification.