

DHCR J-51 Registration and Rent-Revision Initiative
Buildings that may be out of Compliance due to Listing Multiple Apartments as
Permanently Exempt from Stabilization 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.

While the buildings listed below were registered for the 2018 DHCR registration cycle as rent stabilized, it appears that the respective registrations have improperly identified multiple apartments in each building as being permanently exempt from rent stabilization.

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/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

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 . 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

List of Buildings that may be out of Compliance due to Listing Multiple Apartments as Permanently Exempt from Stabilization in 2018

According to NYC Department of Finance records, 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 listed multiple rental apartment in their respective buildings as permanently exempt from rent stabilization. To correct this, owners are required to:

- 1) Amend the 2018 DHCR registration to correct the status of those apartments, reflecting the rent regulated status and reformed rent (see paragraph # 3) for all rental units. Include the new count of rent stabilized apartments in the Registration Summary Form. 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 and http://www.nyshcr.org/Apps/RentReg/Registration_Add-On.pdf

Note – For the purposes of this registration initiative, DHCR will only accept amendments and registrations add-ons for the 2018 registration year.

- 2) A copy of the 2018 apartment registration form, as amended, 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, owner must 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. 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 , the Appellate Division 1st Department reversed a determination by DHCR that was consistent with DHCR's prior guidance. At the time of this notice, DHCR has sought further appellate review of this decision. You may wish to speak to an attorney for updates and clarification. However, 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.

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.