



Overview

Housing Stability & Tenant Protection Act of 2019

is a comprehensive update of New York's rent regulation laws.

The following is an overview of some of the most significant changes and their impact on rent regulated tenants:

Preferential Rent

- If you are a rent stabilized tenant and your landlord offered you a lower rent than the legal regulated rent, you have a preferential rent.
- Tenants paying a preferential rent on June 14, 2019, whether their lease started before, on, or after this date, cannot have their rents increased to the legal regulated rent at their next lease renewal.
- Once a tenant vacates an apartment, the owner can legally charge up to the legal regulated rent to the next tenant, except under very limited circumstances.

Vacancy Increases

- Owners may no longer apply a 20% increase to an apartment rent upon vacancy. Further, no Rent Guidelines Board is permitted to set a separate vacancy increase. If authorized by the Board, a one- or two-year lease guideline may be applied.

Major Capital Improvements

- Increases in rent due to Major Capital Improvements (building-wide improvements such as boilers, windows and roofs, known as MCIs) must be removed from the rent 30 years after the date the increase becomes effective inclusive of any increases granted by the Rent Guidelines Board and will no longer be a permanent rent increase.
- Increases in rent due to MCIs are limited to no more than 2% above the tenant's rent in place at the time

the MCI was awarded. In New York City, this is a decrease from a 6% rent increase cap. In Emergency Tenant Protection Act counties, this is a decrease from a 15% cap.

- The 2% cap applies to existing MCIs for any renewal lease beginning on or after June 14, 2019. Therefore, if an MCI has been awarded in the last seven years, any future increases based on those MCIs will be subject to the 2% annual cap.
- The monthly MCI costs passed on to tenants will also now be lower because the formula for calculating costs has changed. The amortization period for MCIs has been lengthened to 12 years for buildings with 35 or fewer units and to 12.5 years for buildings with more than 35 units.
- The burden for determining what qualifies as an MCI has significantly changed and the costs approved for MCIs will be based on a reasonable cost schedule that will be created by HCR.
- HCR will annually inspect and audit 25% of all approved MCIs.

Rent Control

- Rent increases for tenants in rent controlled apartments will now be calculated by averaging the last five years increases for rent stabilized renewal leases, set by the Rent Guidelines Board.
- Rent controlled tenants will no longer pay or have their rent increased by fuel pass along charges.

hcr.ny.gov
Rent info line 718-739-6400



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Individual Apartment Improvements

- Increases in rent due to Individual Apartment Improvements (IAIs) must be removed from the rent 30 years after the date the increase becomes effective inclusive of any increases granted by the Rent Guidelines Board and will no longer be a permanent rent increase.
- Increases in rent due to IAIs are limited the following formula: maximum of \$15,000 in improvements over a 15-year period in no more than three separate IAIs.
- Owners must clear hazardous violations in apartments before applying an IAI rent increase.
- IAIs completed while an apartment is occupied must be evidenced by informed written consent and uploaded by the owner to a centralized database.
- The monthly IAI costs passed on to tenants will also now be lower because the formula for calculating costs has changed. The amortization period for IAIs has been lengthened to 14 years for buildings with 35 or fewer units and 15 years with buildings with more than 35 units.

Rent Overcharge

- Tenants now have six years to claim a rent overcharge. Previously, a tenant could only claim that they had been overcharged within a four-year window and claim damages for this four-year period.
- The period for which a tenant can receive damages, including treble (triple) damages, as a result of a willful overcharge, has been extended to six years.
- Owners can no longer avoid treble damages simply because they refund an overcharge after a complaint has been filed.

Owner Occupancy Provisions

- Owners choosing to reside in a building they own may now only occupy one rent regulated unit for themselves or their family members. Residents who have been in place for 15 years or are elderly or disabled have additional protections pursuant to changes in the owner occupancy provisions.

Nonprofit Secured Housing

- Certain nonprofit corporations leasing rent stabilized apartments pursuant to government contracts to service vulnerable individuals or individuals with disabilities or individuals who were homeless or at risk of homelessness and their residents are given occupancy protection under the rent stabilization law.

High-Rent/High-Income Decontrol

- Apartments can no longer be removed from rent stabilization because their rents exceed a certain amount or because the tenant's income rises above a certain amount.
- The high-rent vacancy decontrol provision, ending rent regulation for an apartment when the rent for that apartment crossed a set threshold and the unit became vacant, has been repealed.
- The high-income vacancy decontrol provision, ending rent regulation for an apartment when a tenant's income is \$200,000 or higher in the preceding two calendar years and rent for that apartment crossed a set threshold, has been repealed.
- There is an exception for market rate units with a 421-a(16) tax abatement, which will continue to be treated as they were under the prior version of the law.
- Units that were lawfully deregulated prior to June 14, 2019 remain deregulated.