

1 **Rent Stabilization Code Amendments – HSTPA Revisions**

2 **1. 9 NYCRR § 2520.1 is amended to read as follows:**

3 This Subchapter is promulgated and adopted pursuant to the powers granted to the Division of Housing and
4 Community Renewal, [by chapter 888 of the Laws of New York for the year 1985.]

5 **2. 9 NYCRR § 2520.6(c) and (d) are amended to read as follows:**

6 (c) Rent. Consideration, charge, fee or other thing of value, including any bonus, benefit or gratuity demanded
7 or received for, or in connection with, the use or occupation of housing accommodations or the transfer of a
8 lease for such housing accommodations. Rent shall not include surcharges authorized pursuant to section
9 2522.10 of this Title nor for the purposes of any summary eviction proceeding such fees, charges or penalties;
10 however, any such excess payments even if denominated as fees, charges or penalties may be considered a
11 violation under Part 2525 or an overcharge under Part 2526 of this Code.

12 (d) Tenant. Any person or persons named on a lease as lessee or lessees, or who is or are a party or parties to
13 a rental agreement and obligated to pay rent for the use or occupancy of a housing accommodation[.] or is
14 entitled to occupy the housing accommodation as a tenant pursuant to any other provision of this Code.

15 **3. Subdivision (f) of 9 NYCRR § 2520.6 is repealed and a new subdivision (f) is added as follows:**

16 (f) Base date. For all purposes other than for the purpose of proceedings pursuant to sections 2522.3, 2526.1
17 and 2526.7 of this Title, base date shall mean the date which is the most recent of:

18 (1) For claims filed before June 14, 2019, the date four years prior to the filing date of such claim except
19 where a special provision of this Code, the RSL or other law required maintenance of records or review for a
20 longer period.

21 (2) For claims filed on or after June 14, 2019, the base date shall be June 14, 2015.

1 (3) The date on which the housing accommodation first became subject to the RSL; or

2 (4) April 1, 1984, for complaints filed on or before March 31, 1988 for housing accommodations for which
3 initial registrations were required to be filed by June 30, 1984, and for which a timely challenge was not filed.

4 **4. 9 NYCRR § 2520.6 is amended to add a new subdivision (p) to read as follows:**

5 (p) Common Ownership. For the purposes of Section 2522.4 of this Part, Common Ownership shall be
6 defined as any identity of interest or relationship based on family ties or financial interest between the
7 owner/managing agent of a property and any other entity with which the owner/managing agent conducts
8 business.

9
10 **5. 9 NYCRR § 2520.7 is amended as follows:**

11 § 2520.7 Effective Date.

12 In accordance with the provisions of the State Administrative Procedure Act, this Code shall be effective May
13 1, 1987, and all amendments to this Code shall become effective in accordance with the State Administrative
14 Procedure Act or as otherwise required by law. Where implementation of a provision would require new or
15 significantly revised filing procedures or notice requirements, the DHCR may postpone implementation of
16 such provision, as required, for up to [180] 210 days after the effective date of this Code, by an advisory
17 opinion issued pursuant to section 2527.11 of this Title, which shall be available to the public on such effective
18 date. Where such postponement is deemed necessary, current filing procedures, notice requirements, or forms,
19 if any, may be utilized until revision thereof.

20 **6. 9 NYCRR § 2520.8 is amended as follows:**

21 §2520.8 Amendment [of]or revocation

1 Any provision of this Code may be amended or revoked at any time in accordance with the procedure set forth
2 in chapter 888 of the Laws of New York for the year 1985, or as otherwise provided by the State
3 Administrative Procedure Act. However, where a law requires a different rule than set forth in any provision
4 of this Code, which may be implemented in the absence of regulation, DHCR shall follow such law
5 notwithstanding that such conflicting code provision has not yet been amended or revoked.

6 **7. 9 NYCRR § 2520.9 is amended as follows:**

7 §2520.9 Filing of amendments

8 Such amendment or revocation shall be filed with the Secretary of State and shall take effect upon the date
9 of publication of the notice of adoption in the State Register [filing] unless otherwise specified therein or
10 as otherwise provided by the State Administrative Procedure Act, or otherwise required by law.

11 **8. Subdivision (c) of 9 NYCRR § 2520.11 is amended as follows:**

12 (c) housing accommodations for which rentals are fixed by the DHCR, [or] HPD, New York City Housing
13 Development Corporation, New York State Housing Finance Agency or other governmental agencies or
14 public benefit corporations of the City or State unless, after the establishment of initial rents, the housing
15 accommodations are made subject to the RSL pursuant to such applicable law or agreement, or housing
16 accommodations subject to the supervision of the DHCR or HPD or other governmental agencies or public
17 benefit corporations or under other provisions of law or the New York State Urban Development Corporation,
18 or buildings aided by government insurance under any provision of the National Housing Act to the extent
19 the RSL or any regulation or order issued thereunder is inconsistent with such act. However, housing
20 accommodations in buildings completed or substantially rehabilitated prior to January 1, 1974, and whose
21 rentals were previously regulated under the PHFL or any other State or Federal law, other than the RSL or the

1 City Rent Law, shall become subject to the ETPA, the RSL and this Code, upon the termination of such
2 regulation;

3 **9. Subdivision (e) of 9 NYCRR § 2520.11 is amended as follows. Paragraph (e)(2) is repealed, and**
4 **paragraphs (3), (4), (5), (6), (7) are renumbered as (2), (3), (4), (5), (6). New paragraphs (7) and (10)**
5 **are added.**

6 (e) housing accommodations in buildings completed or buildings substantially rehabilitated as family
7 units on or after January 1, 1974, except such buildings which are made subject to this Code by provision
8 of the RSL or any other statute that meet the following criteria, which, at the DHCR's discretion, may be
9 effectuated by operational bulletin:

10 (1) a specified percentage [, not to exceed] of at least 75 percent, of listed building-wide and individual
11 housing accommodation systems, must have been replaced;

12 [(2) for good cause shown, exceptions to the criteria stated herein or effectuated by operational bulletin,
13 regarding the extent of the rehabilitation work required to be effectuated building-wide or as to individual
14 housing accommodations, may be granted where the owner demonstrates that a particular component of
15 the building or system has recently been installed or upgraded, or is structurally sound and does not require
16 replacement, or that the preservation of a particular component is desirable or required by law due to its
17 aesthetic or historic merit;]

18 [(3)] (2) the rehabilitation must have been commenced in a building that was in a substandard or seriously
19 deteriorated condition. [The extent to which the building was vacant of residential tenants when the
20 rehabilitation was commenced shall constitute evidence of whether the building was in fact in such
21 condition. Where the rehabilitation was commenced in a building in which at least 80 percent of the
22 housing accommodations were vacant of residential tenants, there shall be a presumption that the building

1 was substandard or seriously deteriorated at that time.] Space converted from nonresidential use to
2 residential use shall not be required to have been in substandard or seriously deteriorated condition for
3 there to be a finding that the building has been substantially rehabilitated;

4 [(4)] (3) [except in the case of extenuating circumstances,] the DHCR will not find the building to have
5 been in a substandard or seriously deteriorated condition where it can be established that the owner has
6 attempted to secure a vacancy by an act of arson resulting in criminal conviction of the owner or the
7 owner's agent, or [the] there has been a finding of harassment by the DHCR or other governmental entity
8 [has made a finding of harassment,] as defined pursuant to any applicable rent regulatory law, code or
9 regulation[;]. If there has been a finding of harassment by a governmental entity other than the DHCR,
10 that finding shall be considered to be in force for three years from the date the finding was made, unless
11 proof of its being lifted is provided or otherwise obtained;

12 [(5)](4) in order for there to be a finding of substantial rehabilitation, all building systems must comply
13 with all applicable building codes and requirements, and the owner must submit copies of the building's
14 certificate of occupancy, if such certificate is required by law, before and after the rehabilitation;

15 [(6)] (5) [where] occupied rent regulated housing accommodations [have not been rehabilitated, such
16 housing accommodations] shall remain rent regulated until vacated, notwithstanding a finding that the
17 remainder of the building has been substantially rehabilitated, and therefore qualifies for exemption from
18 regulation;

19 [(7)] (6) where, because of the existence of hazardous conditions in his or her housing accommodation, a
20 tenant has been ordered by a governmental agency to vacate such housing accommodation, and the tenant
21 has received a court order or an order of the DHCR that provides for payment by the tenant of a nominal
22 rental amount while the vacate order is in effect, and permits the tenant to resume occupancy without

1 interruption of the rent stabilized status of the housing accommodation upon restoration of the housing
2 accommodation to a habitable condition, such housing accommodation will be excepted from any finding
3 of substantial rehabilitation otherwise applicable to the building. However, the exemption from rent
4 regulation based upon substantial rehabilitation will apply to a housing accommodation that is subject to
5 a right of re-occupancy, if the returning tenant subsequently vacates, or if the tenant who is entitled to
6 return pursuant to court or DHCR order chooses not to do so and expresses such intent not to return in
7 writing. The DHCR may waive the requirement that the tenant expresses a desire not to return in writing
8 at its discretion if the owner demonstrates that the tenant could not be found after the owner undertook a
9 good faith effort to locate and contact them, and the tenant has failed to make the nominal rent payment
10 for a period of at least six months;

11 (7) when an accommodation has been rendered uninhabitable and the tenant has received an order as
12 described in paragraph (6) of this subdivision, the owner will restore the building to a layout that is
13 substantially similar to the building layout prior to the building being rendered uninhabitable, unless the
14 owner can demonstrate that doing so would be financially infeasible. If the owner does not restore the
15 building to a layout that is substantially similar, tenants with orders described in paragraph (6) of this
16 subdivision may, at their discretion, either accept a demolition stipend of an amount determined pursuant
17 to Rent Stabilization Code Section 2524.5 (a)(2)(ii)(b)(3) or begin a rent stabilized tenancy in a re-
18 configured accommodation. In the event a tenant elects to move into a reconfigured accommodation, the
19 rent may be determined based on local comparable stabilized rents;

20 (10) the Applicant's lack of evidence for any reason, including passage of time, does not excuse the
21 Applicant's obligation to substantiate the application as required by this section and any related
22 operational bulletins.

23 **10. Subdivision (f) of 9 NYCRR § 2520.11 is amended as follows:**

1 (f) housing accommodations owned, operated, or leased or rented pursuant to governmental funding, by a
2 hospital, convent, monastery, asylum, public institution, or college or school dormitory or any institution
3 operated exclusively for charitable or educational purposes on a nonprofit basis, and occupied by a tenant
4 whose initial occupancy is contingent upon an affiliation with such institution; however, [a housing
5 accommodation occupied by a nonaffiliated tenant shall be subject to the RSL and this Code;] the following
6 housing accommodations shall be subject to the RSL and this Code: (1) housing accommodations occupied
7 by a tenant on the date such housing accommodation is acquired by any such institution, or which are occupied
8 subsequently by a tenant who is not affiliated with such institution at the time of his initial occupancy or (2)
9 permanent housing accommodations with government contracted services, as of and after June 14, 2019,
10 occupied by vulnerable individuals or individuals with disabilities who are or were homeless or at risk of
11 homelessness. For the purposes of this subdivision (and subdivision 2520.11(k)) such vulnerable individuals
12 or individuals with disabilities as described herein shall be considered to be tenants;

13 **11. Subdivision (j) of 9 NYCRR § 2520.11 is amended as follows:**

14 (j) housing accommodations in buildings operated exclusively for charitable purposes on a nonprofit basis;
15 however such housing accommodation shall be subject to the RSL and this Code if they are permanent housing
16 accommodations with government contracted services, as of and after the effective date of the chapter of the
17 laws of June 14, 2019 that amended this subdivision, for vulnerable individuals or individuals with disabilities
18 who are or were homeless or at risk of homelessness. For the purposes of this subdivision (and subdivision
19 2520.11(k)) such vulnerable individuals or individuals with disabilities as described herein shall be considered
20 to be tenants;

21 **12. Subdivision (k) of 9 NYCRR § 2520.11 is amended as follows:**

1 (k) housing accommodations which are not occupied by the tenant, not including subtenants or occupants, as
2 his or her primary residence as determined by a court of competent jurisdiction; For the purposes of
3 determining primary residency, a tenant who is a victim of domestic violence, as defined in section four
4 hundred fifty-nine-a of the social services law, who has left the unit because of such violence, and who asserts
5 an intent to return to the housing accommodation shall be deemed to be occupying the unit as his or her
6 primary residence. In addition, a tenant who has left the housing accommodation and is paying a nominal rent
7 pursuant to Part 2520.11(e)(6) of this Title shall be deemed to be occupying the unit as his or her primary
8 residence.

9 **13. Subdivision (l) of 9 NYCRR § 2520.11 is amended as follows:**

10 (l) housing accommodations contained in buildings owned as cooperatives or condominiums on or before
11 June 30, 1974; or thereafter, as provided in section 352-eeee of the General Business Law in accordance
12 with section 2522.5(h) of this Title, provided, however, and subject to the limitations set forth in
13 subdivisions (e), (o) and (p) of this section, that:

14 (1) Where cooperative or condominium ownership of such building no longer exists
15 (deconversion), because the cooperative corporation or condominium association loses title to the
16 building upon a foreclosure of the underlying mortgage or otherwise[, or where the conversion of
17 the building to cooperative or condominium ownership is revoked retroactively by the New York
18 State Attorney General to the date immediately prior to the effective date of the Conversion Plan
19 on the basis of fraud or on other grounds], such housing accommodations shall revert to regulation
20 pursuant to the RSL, and this Code, and the legal regulated rents therefore be as follows:

21 (i) Housing accommodations not occupied at the time of deconversion.

1 (a) Where deconversion occurs [four]six years or more after the effective date of
2 the conversion plan, the initial regulated rent shall be as agreed upon by the parties
3 and reserved in a vacancy lease.

4 (b) Where deconversion occurs within [four]six years after the effective date of the
5 conversion plan, the initial regulated rent shall be the most recent legal regulated
6 rent for the housing accommodation increased by all lawful adjustments that would
7 have been permitted had the housing accommodation been continuously subject to
8 the RSL and this Code.

9 (c)

10 [(1) Where the rent, as agreed upon by the parties and paid by the tenant equals or
11 exceeds the applicable amount qualifying for deregulation pursuant to subdivision
12 (r) of this section, such accommodation and the rent therefor shall not revert to
13 regulation under this Code.

14 (2)] Initial regulated rents established pursuant to clause (a) of this subparagraph
15 shall not be subject to challenge as a fair market rent appeal [under section
16 2526.1(a)(2)(ii) of this Title].

17 (d)

18 (1) Within 30 days after deconversion, the new owner taking title upon
19 deconversion shall offer a vacancy lease, at an initial regulated rent
20 established pursuant to this subparagraph, to the holder of shares formerly
21 allocated to the housing accommodation in the case of cooperative
22 ownership, or the former unit owner in the case of condominium ownership.

1 Such shareholder or former unit owner shall have [30]90 days to accept such
2 offer by entering into the vacancy lease. Failure to enter into such lease shall
3 be deemed to constitute a surrender of all rights to the housing
4 accommodation.

5 (2) [This clause shall not apply where deconversion was caused, in whole
6 or in part, by a violation of any material term of the proprietary lease by the
7 shareholder or former unit owner.

8 (3)] No individual former owner or proprietary lessee shall be entitled to
9 occupy more than one housing accommodation.

10 (ii) Housing accommodations occupied at the time of deconversion and not subject to
11 regulation under this Code at such time.

12 (a) Where the housing accommodation is occupied by a holder of shares formerly
13 allocated to it in the case of cooperative ownership, or by the former owner of such
14 unit in the case of condominium ownership, such shareholder or former unit owner
15 shall be offered a new vacancy lease, subject to regulation under this Code, by the
16 new owner taking title upon deconversion, which lease shall be subject to all of the
17 terms and conditions set forth in subparagraph (i) of this paragraph pertaining to
18 the establishment of initial regulated rents[,] and lease offers[, and deregulation,
19 including subclause (i)(d)(2) of this paragraph].

20 (b) Where the housing accommodation is occupied by a current renter pursuant to
21 a sublease with the holder of shares formerly allocated to it in the case of
22 cooperative ownership, or to the former owner of such unit in the case of

1 condominium ownership, the new owner shall offer a vacancy lease to such holder
2 of shares or former unit owner pursuant to all of the terms and conditions set forth
3 in subparagraph (i) of this paragraph.

4 (c) All shareholders or former unit owners described in this subparagraph shall be
5 offered a vacancy lease within 30 days after the deconversion, and shall have [30]90
6 days to accept such offer. However, in the event such shareholder or former unit
7 owner does not enter into the vacancy lease, he or she shall be deemed to have
8 surrendered all rights to the housing accommodation effective 120 days after the
9 [deconversion]failure to accept such offered vacancy lease.

10 (iii) Housing accommodations occupied pursuant to regulation under this Code or the City
11 Rent and Eviction Regulations by non-purchasing tenants immediately prior to
12 deconversion. The regulated rents for such housing accommodations shall not be affected
13 by the deconversion, and such accommodations shall remain fully subject to all provisions
14 of this Code or the City Rent and Eviction Regulations, whichever is applicable.

15 (iv)

16 (a) Where it determines that the owner taking title at deconversion caused, in whole
17 or in part, the deconversion to occur, the initial legal regulated rent shall be
18 established by the DHCR pursuant to sections 2522.6 and 2522.7 of this Title. In
19 such cases, subdivision (r) of this section shall not apply.

20 (b) Upon deconversion, housing accommodations which were last subject to
21 regulation pursuant to the City Rent and Eviction Regulations and were
22 decontrolled prior to or pursuant to the conversion shall become subject to

1 regulation under this Code pursuant to this paragraph. In such cases, the initial legal
2 regulated rent shall be established by the DHCR pursuant to sections 2522.6 and
3 2522.7 of this Title.

4 (2) Housing accommodations that were subject to regulation under this Code or the City Rent and
5 Eviction Regulations immediately prior to conversion to cooperative or condominium ownership
6 by virtue of the receipt of tax benefits pursuant to applicable law shall revert to regulation under
7 this Code [pursuant to paragraph (1) of this subdivision only for such period of time] as is required
8 by[such] applicable law;

9 (3) Where cooperative or condominium ownership of such building no longer exists
10 (deconversion) where the conversion of the building to cooperative or condominium ownership is
11 revoked by the New York State Attorney General, such housing accommodations shall revert to
12 regulation pursuant to the RSL, and this Code, and the legal regulated rents therefore shall be an
13 amount set forth by the Attorney General by order or negotiated settlement. If deconversion occurs
14 due to an action by the Attorney General and the Attorney General does not set rents, the rent for
15 the housing accommodation shall be the lowest rent determined by the most recent legal regulated
16 rent for the housing accommodation immediately prior to the conversion, increased by all lawful
17 adjustments that would have been permitted had the housing accommodation been continuously
18 subject to the RSL and this Code, or by the methods set forth in Section 2522.6(b)(3) of this Part.

19 (4) Where cooperative or condominium ownership of such building no longer exists
20 (deconversion) prior to June 14, 2019, the legal regulated rent shall be set in accordance with the
21 regulations that were in effect on June 14, 2019.

22 **14. Subdivision (p) of 9 NYCRR § 2520.11 is amended as follows:**

1 (p) housing accommodations in buildings completed or substantially rehabilitated as family units on or
2 after January 1, 1974 or located in a building containing less than six housing accommodations, and which
3 were originally made subject to regulation solely as a condition of receiving tax benefits pursuant to
4 section 421-a of the Real Property Tax Law, as amended, and:

5 (1) the housing accommodations which were subject to the RSL pursuant to section 421-a and became
6 vacant subsequent to the end of the applicable restriction period; or

7 (2) for housing accommodations which first became subject to the rent stabilization requirements of
8 section 421-a after July 3, 1984, where each lease and each renewal thereof of the tenant in occupancy at
9 the time the period of tax exemption pursuant to section 421-a expires, contains a notice in at least 12-
10 point type informing such tenant that the housing accommodation shall become deregulated upon the
11 expiration of the last lease or rental agreement entered into during the tax benefit period and states the
12 approximate date on which such tax benefit period is scheduled to expire;

13 (3) Affordable rent housing accommodations which are subject to the restriction period pursuant to RPTL
14 421-a(16), shall remain subject to regulation at the end of the applicable restriction period if a tenant
15 resides in such apartment when the restriction period ends. Such apartment shall remain subject to
16 regulation for the tenant in occupancy and all successor tenants, and will be subject to deregulation only
17 upon a permanent vacancy after the end of the relevant restriction period.

18 (4) Market rate housing accommodations constructed under RPTL 421(a)(16) shall be subject to
19 deregulation if the housing accommodation is initially rented with a legally regulated rent above the
20 deregulation rent threshold, or, if upon a permanent vacancy, the legally regulated rent was above the
21 deregulation rent threshold in effect at that time.

22 15. Subdivision (r) of 9 NYCRR § 2520.11 is amended as follows:

1 (r) (1) Effective June 14, 2019, high rent vacancy deregulation is no longer applicable. Any apartment that
2 was lawfully deregulated pursuant to Rent Stabilization Law section 26-504.2 shall remain deregulated,
3 notwithstanding that such section was repealed by Chapters 36 and 39 of the Laws of 2019.

4 (2) A market rate unit in a multiple dwelling which receives benefits pursuant to subdivision 16 of RPTL
5 421-a shall be subject to high rent vacancy deregulation pursuant to Rent Stabilization Law Section 26-
6 504.2, notwithstanding that such section was repealed pursuant to Chapters 36 and 39 of the Laws of 2019,
7 with the deregulation rent threshold for such housing accommodation to be increased in January of each
8 year by the same percent as the most recent one-year rent adjustment adopted by the New York City Rent
9 Guidelines Board.

10 [housing accommodations which:

11 (1) became vacant on or after July 7, 1993 but before April 1, 1994 where, at any time between July 7,
12 1993 and October 1, 1993, inclusive, the legal regulated rent was \$ 2000 or more per month;

13 (2) became vacant on or after April 1, 1994 but before April 1, 1997, with a legal regulated rent of \$ 2000
14 or more per month;

15 (3) became vacant on or after April 1, 1997 but before June 19, 1997, where the legal regulated rent at
16 the time the tenant vacated was \$ 2000 or more per month; or

17 (4) became or become vacant on or after June 19, 1997 but before June 24, 2011, with a legal regulated
18 rent of \$ 2,000 or more per month;

19 (5) became or become vacant on or after June 24, 2011, with a legal regulated rent of \$ 2,500 or more per
20 month;

1 (6) exemption pursuant to this subdivision shall apply regardless of whether the next tenant in occupancy
2 or any subsequent tenant in occupancy is charged or pays less than the applicable amount qualifying for
3 deregulation as provided in this subdivision;

4 (7) exemption pursuant to this subdivision previous regulations in effect shall not apply to housing
5 accommodations which became or become subject to the RSL and this Code:

6 (i) solely by virtue of the receipt of tax benefits pursuant to section 421-a of the Real Property Tax Law,
7 except as otherwise provided in subparagraph (i) of paragraph (f) of subdivision two of such section 421-
8 a, section 11-243 (formerly J51-2.5) or section 11-244 (formerly J51-5) of the Administrative Code of the
9 City of New York, as amended; or

10 (ii) solely by virtue of article 7-C of the MDL;

11 (8) exemption pursuant to this subdivision shall not apply to or become effective with respect to housing
12 accommodations for which the Commissioner determines or finds that the owner or any person acting on
13 his or her behalf, with intent to cause the tenant to vacate, engaged in any course of conduct (including,
14 but not limited to, interruption or discontinuance of required services) which interfered with or disturbed
15 or was intended to interfere with or disturb the comfort, repose, peace or quiet of the tenant in his or her
16 use or occupancy of the housing accommodations. In connection with such course of conduct, any other
17 general enforcement provision of the RSL and this Code shall also apply;

18 (9) during the period of effectiveness of an order issued pursuant to section 2523.4 of this Title for failure
19 to maintain required services, which lowers the legal regulated rent below the applicable amount
20 qualifying for deregulation as provided in this subdivision, during the time period specified in this
21 subdivision, a vacancy shall not qualify the housing accommodation for exemption under this subdivision;

22 (10)

1 (i) where an owner installs new equipment or makes improvements to the individual housing
2 accommodation qualifying for a rent increase pursuant to section 2522.4(a)(1) of this Title, while such
3 housing accommodation is vacant, and where the legal regulated rent is raised on the basis of such rent
4 increase, or as a result of any rent increase permitted upon vacancy or succession as provided in section
5 2522.8 of this Title, or by a combination of rent increases, as applicable, to the applicable amount
6 qualifying for deregulation, as provided in this subdivision, whether or not the next tenant in occupancy
7 actually is charged or pays, the applicable amount qualifying for deregulation, as provided in this
8 subdivision, for rental of the housing accommodation, the housing accommodation will qualify for
9 exemption under this subdivision;

10 (ii) subparagraph (i) of this paragraph to the contrary notwithstanding, where the housing accommodation
11 became vacant after March 31, 1997, upon the next re-renting of the housing accommodation between
12 April 1, 1997 and June 18, 1997, where the legal regulated rent at the time the tenant vacated was less
13 than \$ 2,000 per month, rent increases resulting from new equipment or improvements made during that
14 vacancy will not result in exemption under this subdivision;

15 (11) where, pursuant to section 2521.2 of this Title, a legal regulated rent is established by record within
16 four years before a rent lower than such legal regulated rent is charged and paid by the tenant, and where,
17 pursuant to such section, upon the vacancy of such tenant, a legal regulated rent previously established by
18 record within four years prior thereto, as lawfully adjusted pursuant to the RSL or this Code, may be
19 charged, and where such previously established legal regulated rent, as so adjusted, equals or exceeds the
20 applicable amount qualifying for deregulation, as provided in this subdivision, such vacancy shall qualify
21 the housing accommodation for exemption under this subdivision;

1 (12) where an owner substantially alters the outer dimensions of a vacant housing accommodation, which
2 qualifies for a first rent equal to or exceeding the applicable amount qualifying for deregulation, as
3 provided in this subdivision, exemption pursuant to this subdivision shall apply.]

4 **16. Subdivision (s) of 9 NYCRR § 2520.11 is amended as follows:**

5 (s) (1) Effective June 14, 2019, high rent high income deregulation is no longer applicable. Any apartment
6 that was lawfully deregulated pursuant to Rent Stabilization Law sections 26-504.1 and 26-504.3 shall
7 remain deregulated, notwithstanding that such sections were repealed pursuant to Chapters 36 and 39 of
8 the Laws of 2019. For the purposes of this subdivision, lawful deregulation shall be defined as the issuance
9 of an order by the DHCR pursuant to Rent Stabilization Law sections 26-504.1 and 26-504.3, repealed by
10 Chapters 36 and 39 of the Laws of 2019, and the expiration of the lease in effect upon issuance of such
11 order expiring prior to June 14, 2019.

12 (2) Effective June 14, 2019, no further high rent high income deregulation proceedings pursuant to this
13 Title may be commenced, and all pending applications shall be dismissed as not subject to deregulation.
14 For the purposes of this paragraph, an application shall not be considered pending if the subject housing
15 accommodation was lawfully deregulated pursuant to such application prior to June 14, 2019, and such
16 lawful deregulation is subject to review as of June 14, 2019 in a Court of competent jurisdiction, before
17 the commissioner pursuant to a petition for administrative review, or before the rent administrator
18 subsequent to a remand for further consideration by the either the commissioner or a court.

19 [Upon the issuance of an order by the DHCR pursuant to the procedures set forth in Part 2531 of this Title,
20 including orders resulting from default, housing accommodations which:

21 (1) have a legal regulated rent of \$ 2,000 or more per month as of October 1, 1993, or as of any date on or
22 after April 1, 1994, and which are occupied by persons who had a total annual income in excess of \$

1 250,000 per annum for each of the two preceding calendar years, where the first of such two preceding
2 calendar years is 1992 through 1995 inclusive, and in excess of \$ 175,000, where the first of such two
3 preceding calendar years is 1996 through 2009 inclusive, with total annual income being defined in and
4 subject to the limitations and process set forth in Part 2531 of this Title;

5 (2) have a legal regulated rent of \$ 2,500 or more per month as of July 1, 2011 or after, and which are
6 occupied by persons who had a total annual income in excess of \$ 200,000 per annum for each of the two
7 preceding calendar years, where the first of such two preceding calendar years is 2010 or later, with total
8 annual income being defined in and subject to the limitations and process set forth in Part 2531 of this
9 Title;

10 (3) exemption pursuant to this luxury deregulation shall not apply to housing accommodations which
11 became or become subject to the RSL and this Code:

12 (i) solely by virtue of the receipt of tax benefits pursuant to section 421-a of the Real Property Tax Law,
13 except as otherwise provided in subparagraph (i) of paragraph (f) of subdivision two of such section 421-
14 a, section 11-243 (formerly J51-2.5) or section 11-244 (formerly J51-5) of the Administrative Code of the
15 City of New York, as amended; or

16 (ii) solely by virtue of article 7-C of the MDL;

17 (4) in determining whether the legal regulated rent for a housing accommodation is the applicable amount
18 qualifying for deregulation, the standards set forth in subdivision (r) of this section shall be applicable; to
19 be eligible for exemption under this subdivision, the legal regulated rent must continuously be the
20 applicable amount qualifying for deregulation pursuant to subdivision (r), from the owner's service of the
21 income certification form provided for in section 2531.2 of this Title upon the tenant to the issuance of an
22 order deregulating the housing accommodation.]

1 **17. Subdivision (u) of 9 NYCRR § 2520.11 is amended as follows:**

2 (u) Between January 8, 2014 and June 14, 2019, t[T]he owner of any housing accommodation that was[is]
3 not subject to this code pursuant to the provisions of subdivision (r) of this section or of section 2200.2(f)(19)
4 of the New York City Rent and Eviction Regulations, [shall] must have [give] given written notice certified
5 by such owner to the first tenant of that housing accommodation after such housing accommodation becomes
6 exempt from the provisions of this code or the city rent law. Such notice [shall] must have contained the last
7 regulated rent, the reason that such housing accommodation is not subject to this Code or the city rent law, a
8 calculation of how either the rental amount charged when there is no lease or the rental amount provided for
9 in the lease has been derived so as to reach the applicable amount qualifying for deregulation [pursuant to
10 subdivision (r) of this section], (whether the next tenant in occupancy or any subsequent tenant in occupancy
11 actually is charged or pays less than the applicable amount qualifying for deregulation), a statement that the
12 last legal regulated rent or the maximum rent may be verified by the tenant by contacting DHCR and the
13 address and telephone number of DHCR. Such notice was required to be sent by certified mail within thirty
14 days after the tenancy commences or after the signing of the lease by both parties, whichever occurs first or
15 delivered to the tenant at the signing of the lease. In addition, the owner was required to send and certify to
16 the tenant a copy of the registration statement for such housing accommodation filed with DHCR indicating
17 that such housing accommodation become exempt from the provisions of this code or the city rent law, which
18 form shall include the last regulated rent and be sent to the tenant within thirty days after the tenancy
19 commences or the filing of such registration, whichever occurs later.

20 **18. 9 NYCRR § 2520.12 is amended as follows:**

21 The provisions of any lease or other rental agreement shall remain in force pursuant to the terms thereof,
22 except insofar as those provisions are inconsistent with the ETPA, the RSL or this Code, and in such event
23 such provisions shall be void and unenforceable. [For housing accommodations made subject to the RSL and

1 this Code pursuant to section 2520.11(c) of this Part, w] Where such leases or rental agreements are so
2 inconsistent as to render them ineffective in defining the rights and duties of tenants and owners, the DHCR
3 may order the provision of new leases consistent with the ETPA, the RSL and this Code. No renewal lease or
4 vacancy lease offered to a tenant shall contain any right of cancellation or eviction by the owner during the
5 term thereof except as provided for by the ETPA, the RSL or this Code.

6 **19. Subdivisions (b), (c), (d), (e) (g) and (i) of 9 NYCRR § 2521.1 are amended as follows:**

7 (b)

8 (1) The initial legal regulated rent for a housing accommodation for which an overcharge complaint or a
9 Fair Market Rent Appeal was filed by a tenant prior to April 1, 1984, and not finally determined prior
10 thereto, shall be the April 1, 1984 rent as subsequently determined by the DHCR. Such determination will
11 be based upon the law or code provision in effect on March 31, 1984.

12 (2) Upon determination of the initial legal regulated rent in paragraph (1) of this subdivision, legal
13 regulated rents subsequent to April 1, 1984 shall be determined in accordance with the definition of base
14 date and the definition of legal regulated rent as set forth in section 2520.6(e) and 2520.6(f) of this Title.

15 (c) The initial legal regulated rent for a housing accommodation first made subject to the RSL and this
16 Code pursuant to article 7-C of the MDL shall be the rent established by the Loft Board under section
17 286(4) of the MDL applicable to a lease offered pursuant to MDL section 286(3). Such rent shall not be
18 subject to the proceedings described in section 2522.3 of this Title. [Notwithstanding that the rent charged
19 and paid during the first lease term may have been less than such initial legal regulated rent, the owner
20 may request upon vacancy that the next lease rental be the initial legal regulated rent plus the allowable
21 increase established by the Rent Guidelines Board, and such other rent increases as are authorized pursuant
22 to section 2522.4 of this Title.]

1 (d) Notwithstanding the provisions of any outstanding lease or other rental agreement, the initial legal
2 regulated rent for a housing accommodation in a multiple dwelling for which a loan is made under the
3 PHFL shall be the initial rent established pursuant to such law. Such rent, whether or not the housing
4 accommodation was previously subject to the RSL, shall not be subject to the proceeding described in
5 section 2522.3 of this Title. Such rent for housing accommodations occupied prior to the granting of the
6 loan made pursuant to the PHFL shall take effect on the date specified in the order establishing the rent.
7 Notwithstanding any other provision of the RSL or this Code, the owner of such housing accommodation
8 shall offer any tenant in occupancy on such effective date or upon initial occupancy a one- or two-year
9 lease at the tenant's option at such rent, which offer shall be made as soon as practicable after such rent is
10 established, whether or not the rent has taken or is then permitted to take effect; and refusal of such tenant
11 to sign such lease, at such rent, and otherwise upon the same terms and conditions as the expiring lease,
12 if any, shall constitute grounds for an action or proceeding to evict and recover possession of the housing
13 accommodation; provided, however, that following the tenant's receipt of the offer of such lease at such
14 rent as lawfully established, a tenant in occupancy on such date shall be allowed 30 days to sign such lease
15 and, if during such 30-day period, such tenant gives the owner written notice of an intention to terminate
16 such tenancy and pays the rent established pursuant to law for such month and for any extended period,
17 the tenant shall not be required to surrender the housing accommodation until 60 days after receipt of such
18 offer. [Notwithstanding that the rent charged and paid during the first lease term may have been less than
19 such initial legal regulated rent, the owner may request that the next lease rental after a vacancy be the
20 initial legal regulated rent plus the allowable increase established by the Rent Guidelines Board.]

21 (e) Notwithstanding any other provision of this Code, the initial legal regulated rent for a housing
22 accommodation first made subject to the RSL and this Code pursuant to article XIV of the PHFL or section
23 2429 of article 8 of the Public Authorities Law shall be the rent established pursuant to law which reflects the

1 improvements or rehabilitation and shall be subject to subsequent adjustment by the DHCR. Such rent shall
2 not be subject to the proceedings described in section 2522.3 of this Title. Notwithstanding any other provision
3 of the RSL or this Code: the owner of such housing accommodation shall offer a tenant in occupancy who
4 first became subject to the RSL and this Code on the effective date of such rent a one- or two-year lease at the
5 tenant's option at such rent, which offer shall be made as soon as practicable after such rent is effective; and
6 refusal of such tenant to sign such lease at such rent, and otherwise upon the same terms and conditions as the
7 expiring lease, if any, shall constitute grounds for an action or proceeding to evict and recover possession of
8 the housing accommodation; provided, however, that following tenant's receipt of the offer of such lease at
9 such rent, a tenant in occupancy on such effective date shall be allowed 30 days to sign such lease and, if
10 during such 30-day period, such tenant gives the owner written notice of an intention to terminate such tenancy
11 and pay the rent established pursuant to law while in occupancy, the tenant shall not be required to surrender
12 the housing accommodation until 60 days after receipt of such offer. Notwithstanding that the rent charged
13 and paid during the first lease term may have been less than such initial legal regulated rent, the owner may
14 request that the next lease rental after vacancy be the initial legal regulated rent plus the allowable increase
15 established by the Rent Guidelines Board and such other increases authorized by section 2522.4 of this Title.

16 (g) The initial legal regulated rent for a housing accommodation subject to this Title constructed pursuant to
17 section 421-a of the Real Property Tax Law shall be the initial adjusted monthly rent charged and paid but not
18 higher than the rent approved by HPD, when applicable, pursuant to such section for the housing
19 accommodation or the lawful rent charged and paid on April 1, 1984, whichever is later.

20 (i) Notwithstanding the provisions of the RSL or any other provision of this Code, the initial legal regulated
21 rent upon completion of the rehabilitation of a Class B multiple dwelling, Class A multiple dwelling used for
22 single-room occupancy purposes, lodging house or a substantially vacant building intended to be used after
23 rehabilitation for single-room occupancy purposes for which a loan is made for such rehabilitation on or after

1 September 1, 1985, under article VIII or VIII-A of the PHFL, shall be the initial rent established by HPD
2 pursuant to such law. Such rent, whether or not the housing accommodation was previously subject to the
3 RSL, shall not be subject to the proceeding described in section 2522.3 of this Title. Such rent shall take effect
4 on the date specified in the order establishing the rent. Notwithstanding the provisions of the RSL or any other
5 provision of this Code, the owner of such housing accommodation shall offer any tenant in occupancy on such
6 effective date a one- or two-year lease, at the tenant's option, at such rent, which offer shall be made as soon
7 as practicable after such rent is established. Refusal of such tenant to sign such lease at such rent, and otherwise
8 upon the same terms and conditions as the expiring lease, if any, shall constitute grounds for an action or
9 proceeding to evict and recover possession of the housing accommodation; provided, however, that following
10 the tenant's receipt of the offer of such lease at such rent as lawfully established, a tenant in occupancy on
11 such date shall be allowed 30 days to sign such lease and, if during such 30-day period, such tenant gives the
12 owner written notice of an intention to terminate such tenancy and pay the rent established pursuant to law
13 for such month and for any extended period, the tenant shall not be required to surrender the housing
14 accommodation until 60 days after receipt of such lease offer. Notwithstanding that the rent charged and paid
15 during the first lease term may have been less than such initial legal regulated rent, the owner may request
16 that the next lease rental after a vacancy be the initial legal regulated rent plus the allowable increase
17 established by the Rent Guidelines Board, and such other rent increases as are authorized pursuant to section
18 2522.4 of this Title.

19 **20. New subdivisions (m) and (n) are added to 9 NYCRR § 2521.1:**

20 (m)

21 (1) Where an owner combines two or more vacant housing accommodations or combines a vacant
22 housing accommodation with an occupied rent regulated accommodation, such initial rent for such
23 new housing accommodation shall be the combined legal rent for both previous housing

1 accommodations, subject to any applicable guidelines increase and any other increases authorized by
2 this Title including any individual apartment improvement increases applicable for both housing
3 accommodations. If an owner combines a rent regulated accommodation with an apartment not
4 subject to rent regulation, the resulting apartment shall be subject to the rent stabilization law. If an
5 owner increases the area of an apartment not subject to the rent stabilization law by adding space that
6 was previously part of a rent regulated apartment, each apartment shall be subject to the rent
7 stabilization law.

8 (2) Where an owner substantially increases the outer dimension of a vacant housing accommodation,
9 such initial rent shall be the prior rent of such housing accommodation, increased by a percentage that
10 is equal to the percentage increase in the dwelling space and such other increases authorized by this
11 Title including any applicable guideline increase and individual apartment improvement increase that
12 could be authorized for the unit prior to the alteration of the outer dimensions.

13 (3) Notwithstanding the above, the above increases may be denied based on the occurrence of such
14 vacancy due to harassment, fraud, or other acts of evasion which may require that such rent be set in
15 accordance with Part 2526 of this Title.

16 (4) Where the vacant housing accommodations are combined, modified, divided or the dimension of
17 such housing accommodation otherwise altered and these changes are being made pursuant to a
18 preservation regulatory agreement with a federal, state or local governmental agency or
19 instrumentality, the legal regulated rents charged thereafter shall be based on an initial rent set by such
20 agency or instrumentality.

21 (5) Where an owner substantially decreases the outer dimensions of a vacant housing accommodation,
22 such initial rent shall be the prior rent of such housing accommodation, decreased by the same

1 percentage the square footage of the original apartment was decreased by and such other increases
2 authorized by this Title including any applicable guideline increase and individual apartment
3 improvement increases that could be authorized for the apartment prior to the alteration of the outer
4 dimensions.

5 (6) Apartment combinations and individual apartment improvements:

6 (i) When an owner combines two or more rent regulated apartments, the owner may use each of
7 the previous apartments' remaining individual apartment improvement allowances for the
8 purposes of a temporary individual apartment improvement rent increase. The owner shall
9 subsequently designate a surviving apartment for the purposes of registration that has the same
10 apartment number as one of the prior apartments. If that prior apartment has any reimbursable
11 individual apartment improvement money remaining after the combination, that money may be
12 reimbursed for future individual apartment improvements undertaken within the subsequent fifteen
13 years following the combination.

14 (ii) In order for an owner to qualify for a temporary individual apartment improvement rent
15 increase when apartments are combined, the requirements for an individual apartment
16 improvement, including all notification requirements under Section 2522.4(a) of this Title must be
17 met.

18 (7) Owners shall maintain the records and rent histories of all combined apartments, both prior to and
19 post combination, for the purposes of rent setting, overcharge and all other proceedings to which the
20 records are applicable.

21 (n) For housing accommodations made subject to this Title as of June 14, 2019 as set forth in 2520.11(f),

22 (j) and (k) the initial rents thereafter upon vacatur of the not for profit and affiliated subtenant shall be set

1 using the rent in effect for the stabilized tenant in occupancy immediately prior to occupancy by the not
2 for profit and the affiliated subtenant plus any applicable increases.

3 **21. Subdivisions (a) and (c) of 9 NYCRR § 2521.21 are amended as follows:**

4 (a) Where the amount of rent charged to and paid by the tenant is less than the legal regulated rent for the
5 housing accommodation, such rent shall be known as the "preferential rent." The amount of rent for such
6 housing accommodation which may be charged upon [renewal or] vacancy thereof may, at the option of the
7 owner, be based upon either such preferential rent or an amount not more than the previously established legal
8 regulated rent, as adjusted by the most recent applicable guidelines increases and other increases authorized
9 by law.

10 (c) Where the amount of the legal regulated rent is set forth either in a vacancy lease or renewal lease where
11 a preferential rent is charged, the owner shall be required to maintain, and submit where required to by DHCR,
12 the rental history of the housing accommodation immediately preceding such preferential rent to the present
13 which may be prior to the [four-year period] base date preceding the filing of a complaint.

14 **22. New subdivisions (d) and (e) are added to 9 NYCRR § 2521.21.**

15 (d) Any tenant who is subject to a lease in effect on or after June 14, 2019, or is or was entitled to receive
16 a renewal or vacancy lease on or after such date, upon renewal of such lease, the amount of rent for such
17 housing accommodation that may be charged and paid shall be no more than the rent charged to and paid
18 by the tenant prior to that renewal, as adjusted by the most recent applicable guidelines increases and any
19 other increases authorized by law.

20 (e) Provided, however, that for buildings that are subject to this Code by virtue of a regulatory agreement
21 with a local government agency and which buildings receive federal project based rental assistance
22 administered by the United States Department of Housing and Urban Development or a state or local

1 section eight administering agency, where the rent set by the federal, state or local governmental agency
2 is less than the legal regulated rent for the housing accommodation, the amount of rent for such housing
3 accommodation which may be charged upon renewal or upon vacancy thereof, may be based upon such
4 previously established legal regulated rent, as adjusted by the most recent applicable guidelines increases
5 or other increases authorized by law; and further provided that such vacancy shall not be caused by the
6 failure of the owner or an agent of the owner to maintain the housing accommodation in compliance with
7 the warranty of habitability set forth in subdivision one of section two hundred thirty-five-b of the real
8 property law.

9 **23. 9 NYCRR § 2522.2 is amended as follows:**

10 Except as otherwise provided in this Code or set forth in the order, [T]the legal regulated rent shall be adjusted
11 effective the first rent payment date occurring 30 days after the filing of the application, [unless otherwise set
12 forth in the order,] or on the effective date of a lease or other rental agreement providing for the Rent
13 Guidelines Board annual rate of adjustments, or upon vacancy[or succession] as provided in section 2522.8
14 of this Part. No rent adjustment may take place during a lease term unless a clause in the lease authorizes such
15 increase, or as otherwise provided by law and this Code.

16 **24. Subdivisions (a), (c), (e) and (f) of 9 NYCRR § 2522.3 are amended as follows:**

17 (a) Except as provided in section 2521.1(a)(2) of this Title, an appeal of the initial rent on the ground that it
18 exceeds the fair market rent for the housing accommodation may be filed with the DHCR by the tenant of a
19 housing accommodation which was subject to the City Rent Law on December 31, 1973. This right is limited
20 to the first tenant taking occupancy on or after April 1, 1984, except where such tenant had vacated the housing
21 accommodation prior to the service by the owner of the Notice of Initial Legal Regulated Rent as required by
22 section 2523.1 of this Title. In such event, any subsequent tenant in occupancy shall also have a right to file a

1 Fair Market Rent Appeal until the owner mails the required notice and 90 days shall have elapsed without the
2 filing of an appeal by a tenant continuing in occupancy during said 90-day period. Once a Fair Market Rent
3 Appeal is filed, no subsequent tenant may file such appeal. Notwithstanding the above, where the first tenant
4 taking occupancy after December 31, 1973, of a housing accommodation previously subject to the City Rent
5 Law, was served with the notice required by section 26 of the former code of the Rent Stabilization
6 Association of New York City, Inc., the time within which such tenant may file a Fair Market Rent Appeal is
7 limited to 90 days after such notice was mailed to the tenant by the owner by certified mail. However, no Fair
8 Market Rent Appeal may be filed after [four] six years from the date the housing accommodation was no
9 longer subject to the City Rent Law.

10 (c) Such appeal shall be dismissed where:

11 (1) the appeal is filed more than 90 days after the certified mailing to the tenant of the Initial Apartment
12 Registration, together with the Notice pursuant to section 2523.1 of this Title; or

13 (2) the appeal is filed more than [four] six years after the vacancy which caused the housing accommodation
14 to no longer be subject to the City Rent Law.

15 (e) In determining Fair Market Rent Appeals filed pursuant to [paragraph] subdivision (a) [(1)] of this section,
16 consideration shall be given to the applicable guidelines promulgated for such purposes by the Rent
17 Guidelines Board and to rents generally prevailing for housing accommodations in buildings located in the
18 same area as the housing accommodation involved. [In addition, consideration of the rental history of the
19 subject housing accommodation for the period prior to the four-year period preceding the filing of the Fair
20 Market Rent Appeal is precluded.] The rents for these comparable housing accommodations may be
21 considered where such rents are:

1 (1) unchallenged rents in effect for housing accommodations subject to this Code on the date the tenant filing
2 the appeal took occupancy; or

3 (2) at the owner's option, market rents in effect for other comparable housing accommodations on the date
4 the tenant filing the appeal took occupancy, as submitted by the owner.

5 (f)

6 (1) Except as provided in section 2521.1(a)(2) of this code, the landlord or tenant of a housing accommodation
7 made subject to this Code by the ETPA may, within 60 days of the date the housing accommodation became
8 subject to the ETPA or the commencement of the first tenancy thereafter, file an application on forms
9 prescribed by the DHCR to adjust the initial legal regulated rent on the grounds that the presence of unique
10 or peculiar circumstances materially affecting the legal regulated rent has resulted in a rent which is
11 substantially different from the rents generally prevailing in the same area for substantially similar housing
12 accommodations.

13 (2) The DHCR may grant an appropriate adjustment of the initial legal regulated rent upon finding that such
14 grounds do exist, provided that the adjustment shall not result in a legal regulated rent substantially different
15 from the legal regulated rents generally prevailing in the same area for substantially similar housing
16 accommodations.

17 (3) Any such adjustment shall consider, in addition to the factors contained in section 2522.3(f)(2), the
18 equities involved and the general limitations required by section 2522.7 of this title.

19 (4) Previous regulation of the rent for the housing accommodation under the PHFL or any other State or
20 Federal law shall not, in and of itself, constitute a unique and peculiar circumstance within the meaning of
21 this subdivision. Any change in economic circumstances arising as a consequence of the termination of such

1 prior regulation of rent may only be addressed in a proceeding for adjustment of the legal regulated rent under
2 [paragraphs] subdivisions (c)[(b)] and (d) [(c)] of section 2522.4 of this code.

3 **25. Subdivision (a) of 9 NYCRR § 2522.4 is repealed and a new subdivision (a) and subdivision (b) are**
4 **added as follows:**

5 (a) Individual Apartment Improvements.

6 (1) Increase in space, new equipment, new furniture or furnishings; and other adjustments.

7 (2) An owner is entitled to a temporary rent increase where there has been a reasonable and verifiable
8 modification, other than an increase for which an adjustment may be claimed pursuant to subdivision (b)
9 of this section, of dwelling space, installation of new equipment or improvements, or new furniture or
10 furnishings, provided in or to the tenant's housing accommodation, where the tenant has agreed to such
11 modification or increase and the owner has obtained written informed tenant consent to such rent increase.
12 In the case of vacant housing accommodations, tenant consent shall not be required.

13 (i) For all work that commenced on or after June 14, 2019, notification of all modifications must be
14 submitted to DHCR for verification. As a part of such verification, an owner shall:

15 (a) Provide a copy of the written informed tenant consent on an approved DHCR form when tenant consent
16 is required.

17 (b) Provide the DHCR with an itemized list of work performed, including a description and/or explanation
18 of the reason or purpose for such work.

19 (c) Provide the DHCR with photographs of the subject apartment where the work will be completed taken
20 prior to such modification or increase as well as photographs taken after, and showing, the work has been

1 completed. Such photographs must be kept as part of the owner's permanent records such that the owner
2 must at any future time produce such photographs upon request by an agency with appropriate jurisdiction.

3 (d) Use a licensed contractor to complete such work, where using a licensed contractor is required by an
4 appropriate New York State or local governmental agency or rule. The costs for an individual apartment
5 improvement paid to a person or organization contracted to do the improvement or installation work
6 sharing a common ownership with the owner or managing agent of the subject building or apartment will
7 be disallowed.

8 (e) Resolve, within the dwelling space, all outstanding hazardous and immediately hazardous violations.
9 In no event shall an owner be permitted to begin collection of any rent increase pursuant to this subdivision
10 while there are any hazardous or immediately hazardous violations of the Uniform Fire Prevention and
11 Building Code (Uniform Code), New York City Fire Code, or New York City Building and Housing
12 Maintenance Codes pending against the affected housing accommodation.

13 (ii) For work commenced on or after June 14, 2019, the recoverable costs incurred by the owner pursuant
14 to this paragraph shall be limited to a total aggregate cost of fifteen thousand dollars (\$15,000) that may
15 be expended on no more than three (3) separate individual apartment improvements in any fifteen (15)
16 year period.

17 (iii) An owner who is entitled to a rent increase pursuant to this paragraph shall not be entitled to a further
18 rent increase based upon the installation of similar equipment, or new furniture or furnishings within the
19 useful life of such new equipment, or new furniture or furnishings.

20 (iv) Any increases to the legal regulated rent pursuant to this paragraph shall be temporary and shall be
21 removed from the legal regulated rent thirty (30) years from the date the increase became effective

1 inclusive of any increases granted by the applicable Rent Guidelines Board that had been calculated based
2 upon such rent increase.

3 (v) For individual apartment improvements pursuant to this subdivision, the DHCR shall maintain an
4 itemized list of work performed and a description or explanation of the reason or purpose of such work,
5 inclusive of photographic evidence documenting the condition prior to and after the completion of the
6 performed work. Such documentation and any other supporting documentation shall be submitted to the
7 DHCR by the owner within 90 days of the completion of the work, retained in a centralized electronic
8 retention system and made available in cases pertaining to the adjustment of legal regulated rents.

9 (vi) Where an owner seeks a temporary individual apartment improvement rent increase pursuant to this
10 subdivision while the unit is occupied, the DHCR shall provide a form for use by the owner, to obtain
11 written informed consent from the tenant that shall include the estimated total cost of the improvement
12 and the estimated monthly rent increase. Such form shall be completed and submitted to the DHCR by
13 the owner within 90 days of the completion of the work and preserved in a centralized electronic retention
14 system. Nothing herein shall relieve an owner, lessor, or agent thereof of his or her duty to retain proper
15 documentation of all improvements performed or any rent increases resulting from said improvements.

16 (vii) For rent increases pursuant to this subdivision that took effect prior to June 14, 2019, the increase in
17 the monthly legal regulated rent for the affected housing accommodations when authorized pursuant to
18 this paragraph shall for buildings and complexes containing 35 or fewer housing accommodations be
19 1/40th of the total cost, including installation but excluding finance charges; and for buildings and
20 complexes containing more than 35 housing accommodations be 1/60th of the total cost, including
21 installation but excluding finance charges.

1 (viii) For temporary rent increases pursuant to this subdivision effective as of or after June 14, 2019, the
2 temporary increase in the monthly legal regulated rent for the affected housing accommodations when
3 authorized pursuant to this paragraph shall for buildings and complexes containing 35 or fewer housing
4 accommodations be 1/168th of the total cost, including the cost of installation but excluding finance
5 charges; and for buildings and complexes containing more than 35 housing accommodations be 1/180th
6 of the total cost, including the cost of installation but excluding finance charges.

7
8 (b) Temporary major capital improvement rent adjustments.

9 (1) An owner of a building or building complex that contains more than thirty-five (35) percent rent-
10 regulated units may file an application to temporarily increase the legal regulated rents of the building or
11 building complex on forms prescribed by the DHCR which includes an itemized list of work performed
12 and a description or explanation of the reason or purpose of such work, on one or more of the following
13 grounds:

14 (i) There has been a major capital improvement, including an installation, which must meet all of
15 the following criteria:

16 (a) it is deemed depreciable under the Internal Revenue Code, other than for ordinary
17 repairs;

18 (b) it is essential for the preservation, energy efficiency, functionality or infrastructure of
19 the entire building, including heating, windows, plumbing and roofing, but shall not be for
20 operational costs or unnecessary cosmetic improvements;

1 (c) it is an improvement to the building or to the building complex which inures directly or
2 indirectly to the benefit of all tenants, and which includes the same work performed in all
3 similar components of the building or building complex, unless the owner can satisfactorily
4 demonstrate to the DHCR that certain of such similar components did not require
5 improvement; and

6 (d) the item being replaced meets the requirements set forth on the following useful life
7 schedule, except with DHCR approval of a waiver, as set forth in clause (e) of this
8 subparagraph.

9
10 Useful Life Schedule for Major Capital Improvements Replacement Item or Equipment
11 Years - Estimated Life

12
13 1) Boilers and Burners

14 (a) Cast Iron Boiler 35
15 (b) Package Boiler 25
16 (c) Steel Boiler 25
17 (d) Burners 20

18 2) Windows

19 (a) Aluminum 20
20 (b) Wood 25

1	(c) Steel	25
2	(d) Storm	20
3	(e) Vinyl	15
4	3) Roofs	
5	(a) 2-Ply (asphalt)	10
6	(b) 3-4 Ply (asphalt)	15
7	(c) 5-Ply (asphalt)	20
8	(d) Shingle	20
9	(e) Single-Ply Rubber	20
10	(f) Single-Ply Modified Bitumen	10
11	(g) Quarry Tile	20
12		
13	4) Pointing	15
14	5) Rewiring	25
15	6) Intercom System	15
16	7) Mailboxes	25
17	8) Plumbing/Repiping	
18	(a) Galvanized Steel	25

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(b) TP Copper 30
(c) Brass cold water 15
(d) Fixtures 25

9) Elevators

(a) Major Upgrade..... 25
(b) Controllers and Selector 25

10) Doors

(a) Apartment Entrance 25
(b) Lobby/Vestibule 15

11) Water Tanks

(a) Metal 25
(b) Wood 20

12) Waste Compactors 10

13) Air Conditioners

(a) Individual Units/Sleeves 10
(b) Central System 15
(c) Branch Circuitry Fixtures 15

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14) Siding

- (a) Aluminum Siding 25
- (b) Vinyl Siding 15

15) Catwalk 25

16) Chimney

- (a) Steel 25
- (b) Brick 25

17) Courtyards/Walkways/Driveways

- (a) Cement 15
- (b) Asphalt 10

18) Fire Escapes 25

19) Fuel Oil Tanks

- (a) In Vaults 25
- (b) Underground 20

20) Water Heating Units

- (a) Hot Water/Central Heating 20
- (b) Hot Water Heater (Domestic) 10

21) Parapets brick 25

1 22) Resurfacing Exterior Walls 25

2 23) Solar Heating System 25

3 24) Structural Steel 25

4 25) Television Security 10

5 For major capital improvements not listed above, the owner must submit evidence with the
6 application that the useful life of the item or equipment being replaced has expired.

7 (e)

8 (1) An owner who wishes to request a waiver of the useful life requirement set forth
9 in clause (d) of this subparagraph must apply to the DHCR for such waiver prior to
10 the commencement of the work for which he or she will be seeking a temporary
11 major capital improvement rental increase. Notwithstanding this requirement,
12 where the waiver requested is for an item being replaced because of an emergency,
13 which causes the building or any part thereof to be dangerous to human life and
14 safety or detrimental to health, an owner may apply to the DHCR for such waiver
15 at the time he or she submits the temporary major capital improvement rent increase
16 application.

17 (2) If the waiver is denied, the owner will not be eligible for a temporary major
18 capital improvement increase. However, if the waiver is granted, the useful life
19 requirement will not be a factor in the determination of eligibility for the temporary
20 major capital improvement rent increase. Approval of the waiver does not assure

1 that the application will be granted, as all other requirements set forth in this
2 paragraph must be met.

3 (3) An owner may apply for, and the DHCR may grant, a waiver of the useful life
4 requirements set forth in the Useful Life Schedule, if the owner satisfactorily
5 demonstrates the existence of one or more of the following circumstances:

6 (i) The item or equipment cannot be repaired and must be replaced during
7 its useful life because of a fire, vandalism or other emergency, or "act of
8 God" resulting in an emergency;

9 (ii) The item or equipment needs to be replaced because such item or
10 equipment is beyond repair, or spare parts are no longer available, or
11 required repairs would cost more than seventy-five (75) percent of the cost
12 of the total replacement of the item or equipment. Certification by a duly
13 licensed engineer or architect, where there is no common ownership or other
14 financial interest with the owner, shall be considered substantial proof of
15 such condition(s). The owner may also be required to submit proof that the
16 item or equipment was properly maintained. Such proof may include
17 receipts for repairs and parts or maintenance logs;

18 (iii)

19 (a) An appropriate New York State or local governmental agency
20 has determined that the item or equipment needs to be replaced as
21 part of a government housing program;

1 (b) If a governmental lender or insurer, for the purposes of
2 qualifying for a New York State or local government long-term loan
3 or insured loan, requires the remaining useful life of the building or
4 building complex, as well as the component parts of such building
5 or building complex, to be as great as or greater than the term of the
6 loan agreement.

7 (iv) The replacement of an item or equipment which has proven inadequate,
8 through no fault of the owner, is necessary, provided that there has been no
9 major capital improvement rent increase for that item or equipment being
10 replaced.

11 (4) In the event that the DHCR determines that an installation qualifies for a waiver
12 of the useful life requirements, the DHCR may, subject to all other requirements of
13 this section, and the limitations of the reasonable cost schedule provisions in
14 paragraph (2) of this subdivision:

15 (i) Where no previous increase was granted within the useful life of the item
16 or equipment being replaced, approve one-hundred (100) percent of the
17 actual, reasonable, and verifiable cost of the item or equipment, including
18 installation;

19 (ii) Where it is determined that an item is eligible to be replaced during its
20 useful life, grant a temporary increase based on the actual, reasonable, and
21 verifiable cost of the item or equipment, including installation, less both (a)
22 the amount reimbursed from other sources, such as insurance proceeds or

1 any other form of commercial guarantee, and (b) the amount of any increase
2 previously granted for the same item or equipment either as a major capital
3 improvement, or pursuant to other governmental programs, if such item or
4 equipment has not exhausted at least seventy-five (75) percent of its useful
5 life at the time of the installation;

6 (iii) Where it is determined that an item is eligible to be replaced even
7 though it has not exhausted seventy-five (75) percent of its useful life and
8 that it was installed as part of a substantial rehabilitation or the new
9 construction of a building for which the owner set initial building-wide
10 rents, the DHCR may reduce the increase granted for a major capital
11 improvement by a proportion of the remaining useful life of such item or
12 equipment;

13 (iv) Where it is determined that an item is eligible to be replaced even
14 though it has not exhausted one-hundred (100) percent of its useful life, but
15 has exhausted more than seventy-five (75) percent of its useful life, the
16 DHCR may reduce the increase granted for a major capital improvement by
17 a proportion of the remaining useful life of such item or equipment.

18 (f) In no event shall a temporary major capital improvement increase be granted for work
19 done in individual apartments that is otherwise not an improvement to an entire building.

20 (ii) There has been other necessary work performed in connection with, and directly related to a
21 major capital improvement, which may be included in the computation of an increase in the legal

1 regulated rent only if such other necessary work was completed within a reasonable time after the
2 completion of the major capital improvement to which it relates. Such other necessary work must:

3 (a) improve, restore or preserve the quality of the structure and the grounds;

4 (b) have been completed subsequent to, or contemporaneously with, the completion of the
5 work for the major capital improvement; and

6 (c) not be for primarily cosmetic improvements or for operational costs.

7 (iii) With approval by the DHCR, there has been an increase in services or improvement, other
8 than repairs, on a building-wide basis, which the owner can demonstrate are necessary in order to
9 comply with a specific requirement of law.

10 (iv) With approval by the DHCR, there have been other improvements made or services provided
11 to the building or building complex, other than those specified in subparagraphs (i)-(iii) of this
12 paragraph, with the express consent of the tenants in occupancy of at least seventy-five (75) percent
13 of the rent regulated housing accommodations.

14 (2) Major Capital Improvement Schedules

15 (i) The reasonable costs that may be recovered for qualified major capital improvements may not
16 exceed the recoverable costs, as determined by DHCR. In making such determination, DHCR
17 shall, unless for good cause shown or otherwise specified, refer to such reasonable costs as
18 specified in the Reasonable Cost Schedule found in the Reasonable Cost Schedule that is in effect
19 at the time that the contract for work for the major capital improvement was executed.

20 (ii) The Reasonable Cost Schedule shall provide the recoverable cost of major capital
21 improvements that fall within the following main three categories:

1 1. Major Systems;

2 i. The maximum recoverable costs shall be presented for the following classes of
3 work: (a) Plumbing; (b) Gas Re-pipe; (c) Wiring; (d) Windows; (e) Boiler/Burner;
4 (f) Hot Water Heater; (g) Elevator Replacement; and (h) Elevator Modernization.

5 2. Façade, Parapet, Roof;

6 i. The maximum recoverable costs shall be presented for the following classes of
7 work: (a) Façade; (b) Parapet; and (c) Roof.

8 3. Other Systems.

9 i. The maximum recoverable costs shall be presented for the following classes of
10 work: (a) Chimney; (b) Doors; (c) Security System; and (d) Intercom; and may
11 include such other systems as DHCR may determine.

12 (iii) Each class of major capital improvement may list more detailed types of capital improvement
13 work. Each class of major capital improvement described in the Schedule may be inclusive of
14 additional costs that can be associated with the type of improvements listed within such class.

15 (iv) The costs of each type of major capital improvement work will be listed as per unit, per unit
16 of measurement or per piece of equipment, as is appropriate given the nature of the improvement.

17 (v) The maximum recoverable costs for each type of major capital improvement specified in the
18 initial Reasonable Cost Schedule shall be based on a survey of such construction costs undertaken
19 for such installation.

1 (a) The maximum recoverable costs listed in the Reasonable Cost Schedule shall be
2 initially published and made available for public review and comment in conjunction with
3 the promulgation process required for adoption of this regulation.

4 (vi) Periodic Review of Reasonable Cost Schedule:

5 Every year after adoption of this regulation, DHCR shall assess and review the categories of major
6 capital improvements, the classes of work within categories eligible for major capital
7 improvements and the maximum recoverable costs listed for the types of major capital
8 improvement costs identified in the Reasonable Cost Schedule.

9 (vii) Procedure:

10 (a) When applying for a temporary major capital improvement rent increase, owners are
11 required to submit an itemized list of work performed with a description or explanation of
12 the reason or purpose of such work.

13 (1) Costs may be granted for related expenses that are not specified in the actual
14 schedule, if they are found to be:

15 (i) within or below the maximum costs for the class of work,

16 (ii) are necessary for the claimed improvement, and

17 (iii) eligible for reimbursement as a major capital improvement.

18 (2) Costs will not be granted for expenses which are ineligible for major capital
19 improvement rent increases.

20 (3) Only the actual and verifiable amounts expended by owners for qualifying
21 major capital improvement costs will be the basis for any temporary major capital

1 improvement rent increase. Qualifying owners will, therefore, be awarded a
2 temporary major capital improvement rent increase on the lesser of either: (i) the
3 actual amount expended, or (ii) the maximum reasonable cost from the schedule,
4 and such other additional items that are eligible as a major capital improvement but
5 are not listed as part of the Reasonable Cost Schedule.

6 (b) The schedule provides a maximum of costs that can be granted for eligible major capital
7 improvements. All costs granted for a temporary major capital improvement rent increase
8 must be actual, reasonable, verifiable, and meet all other regulatory requirements.

9 (viii) Waiver of Application of Reasonable Cost Schedule

10 (a) Owners may apply for a waiver of application of the Reasonable Cost Schedule. The
11 waiver request will be denied, unless the owner satisfies the waiver requirements provided
12 herein, and the Division finds the waiver of the application of the schedule to be reasonable
13 and warranted under the circumstances set forth in such application.

14 (b) If an owner's application for a waiver of the reasonable cost schedule is denied, the
15 owner's maximum recoupment shall be limited to that required by the applicable
16 Reasonable Cost Schedule.

17 (c) Notwithstanding any waiver of the reasonable cost schedule, not all costs claimed for a
18 temporary major capital improvement rent increase may be awarded, as the costs of items
19 claimed may be disallowed, in whole or in part, pursuant to all other requirements set forth
20 in this section that must be met and fully supported.

1 (d) Pursuant to the requirements specified below, such application must be fully supported
2 and demonstrate that the claimed costs underlying the temporary major capital
3 improvement rent increase are:

4 (1) not identified in the Reasonable Cost Schedule, or

5 (2) necessarily and appropriately priced higher than those costs listed in the
6 Reasonable Cost Schedule due to the unique nature of the installation and the
7 circumstances surrounding such installation, and such costs are accurate,
8 reasonable, necessary, verifiable, and eligible for a rent increase under these
9 circumstances, or

10 (3) that use of the Reasonable Cost Schedule will cause an undue hardship and the
11 use of alternative procedures are appropriate to the interests of the owner, the
12 tenants, and the public, and the costs of such improvement are accurate, reasonable,
13 necessary, verifiable, and eligible for a rent increase under the circumstances.

14 (e) Owners must request a waiver of the use of the Reasonable Cost Schedule in writing
15 and accompany the application with the information and documentation as specified in
16 subparagraph (x).

17 (ix) Requirements for Waiver under Specific Circumstances

18 (a) At the time of the initial application for a temporary major capital improvement rent
19 increase, an owner must apply for a waiver of application of the Reasonable Cost Schedule.
20 Such application shall include all necessary requirements set forth in subparagraph (viii)
21 of this paragraph and must also meet the following requirements:

1 (1) Non-Landmarked Buildings (Buildings not designated by the Landmark
2 Commission):

3 (i) A licensed engineer or architect must certify that:

4 (a) the major capital improvement costs for which an owner seeks a
5 temporary major capital improvement rent increase are accurate and
6 reasonable under the circumstances; and

7 (b) there is no common ownership or other financial interest
8 between the contractor installing the replacement or upgrade and the
9 ownership entity of the owner; and

10 (c) a bid process was conducted and supervised by a licensed
11 architect or engineer.

12 (2) Landmarked Buildings (Buildings designated by the Landmark Commission):

13 The costs beyond those permitted by the reasonable cost schedule that were the
14 result of any law, regulation, rule, or requirement under which the premises have
15 been designated a landmark building.

16 (3) Capital Improvement Work Performed While Also Under Another
17 Governmental Agency's Supervision:

18 DHCR may also accept the cost of contract where:

19 (i) the building is subject to both (a) the Rent Stabilization Law, and (b)
20 another housing program, and

1 (ii) the contract is approved by or awarded under the supervision of a state,
2 city or local housing entity in conjunction with that affordable housing
3 program, and

4 (iii) such supervision includes a process by which such supervising agency
5 reviews the costs to assure they are reasonable.

6 (4) Emergency Capital Improvements:

7 DHCR may also accept the cost of contract where capital improvements were
8 performed to remedy an emergency condition and for which the owner paid more
9 than the reasonable costs due to such emergency. The costs must be actual,
10 reasonable, necessary, verifiable, and eligible for a rent increase under the
11 circumstances.

12 (5) Interim Rules:

13 (i) An owner may apply for a waiver of application of the Reasonable Cost
14 Schedule if, prior to the effective date of this subparagraph (ix) of this
15 paragraph, it has either:

16 (a) entered a contract for the performance of major capital
17 improvement work within the two years immediately preceding
18 January 27, 2021, the final adoption date of Emergency Regulation
19 HCR-26-20-00012, or

20 (b) submitted to DHCR an application for a temporary major capital
21 improvement rent increase.

1 (ii) The recoverable costs will be determined according to the applicable
2 Reasonable Cost Schedule and these provisions, but the owner need not
3 submit evidence of compliance with the bidding requirements set forth in
4 clause (b) of subparagraph (x) of this paragraph; owner may instead submit
5 for review alternative means of establishing the reasonableness of the major
6 capital improvement costs sought to be recovered.

7 (iii) For pending major capital improvement applications, an owner was
8 required to make this waiver application within 60 days of June 16, 2020,
9 unless in the context of processing the major capital improvement
10 application the owner was directed by DHCR to submit an application for
11 waiver.

12 (x) Waiver Procedure:

13 As part of the written Waiver application for non-emergency capital improvements, owners must
14 submit the following:

15 (a) A certification by a licensed architect or engineer stating that:

16 (1) The purchases and contracts, whose costs owner seeks to recover have been
17 awarded on the basis of analysis and bidding to the fullest extent possible, but with
18 no less than three bidders having been solicited to perform the work unless the
19 owner can demonstrate that the work is so highly specialized that such bids cannot
20 be extended;

21 (2) List of items for which owner solicited bids were necessary;

1 (3) The costs claimed by owner for the major capital improvement work are
2 accurate and reasonable, provided that the architect or engineer's basis for such
3 conclusion is fully and credibly supported;

4 (4) All changes to the original agreed upon scope of work were necessary to the
5 underlying major capital improvement and reasonably priced;

6 (5) The owner selected the lowest responsible bidder or the bidder best suited to
7 perform the major capital improvement work, provided that the architect or
8 engineer's basis for such conclusion is credibly supported; and

9 (6) Such other and additional proof as DHCR may require to ascertain the need for
10 the waiver and the certification of such reasonable, necessary, verifiable, and
11 eligible costs.

12 (b) Certification by owner that it has complied with bid process requirements including
13 submission of:

14 (1) Tabulation of all bids received; and

15 (2) Copies of all bids received; and

16 (3) A certification by each bidder disclosing whether the owner or any board
17 member, general partner, officer or employee of owner, and/or principal or
18 employee of any managing agent retained by owner, has a direct or indirect interest
19 in the bidder or in the compensation to be received by the bidder pursuant to the
20 proposed contract. Failure to accurately and fully complete this certification may
21 result in the rejection of the bid for purposes of determining owner's application

1 for waiver of the use of the Reasonable Cost Schedule, as well as rejection and a
2 dismissal of the major capital improvement application; and

3 (4) Detailed description of the items for which owner initially solicited bids.

4 (c) A certification by the owner's architect or engineer certifying the necessity,
5 appropriateness, and reasonableness of the costs of all changes to the original agreed upon
6 scope of work that were performed in connection with the major capital improvement,
7 along with a description of the changes in the scope, price, or time of completion of the
8 work related to each change order.

9 (xi) For Emergency Capital Improvement MCI Applications:

10 The owner must submit a statement from an independent engineer or architect describing the
11 emergency, why the costs were greater than those in the schedule, that the costs were reasonable
12 for the situation, and why the owner could not obtain three bids in a timely manner due to the
13 exigent circumstances.

14 (xii) Notice:

15 As part of the major capital improvement application process, any request by an owner for a waiver
16 of application of the Reasonable Cost Schedule shall be made available to the tenants of the subject
17 building(s) with an opportunity to comment on and contest the waiver.

18 (xiii) Operational Bulletin

19 The initial Operational Bulletin 2020-1 including all amendments, shall be issued pursuant to this
20 paragraph and Section 2527.11 of this Title. The Operational Bulletin 2020-1 and all amended

1 versions shall be available in hardcopy form at 92-31 Union Hall Street, Jamaica, Queens, New
2 York, and will be available on DHCR's website at [www.hcr.state.ny.us] www.hcr.ny.gov.

3 (3) Improvements or installations for which the DHCR may grant applications for temporary rent increases
4 based upon major capital improvements pursuant to paragraph (1) of this subdivision are described on the
5 following Schedule. Other improvements or installations that are not included may also qualify, where all
6 requirements of Section 2522.4(b) of this Title have been met.

7 SCHEDULE OF MAJOR CAPITAL IMPROVEMENTS

8 1. AIR CONDITIONER - new central system; or individual units set in sleeves in the exterior wall
9 of every housing accommodation; or, air conditioning circuits and outlets in each living room
10 and/or bedroom (SEE REWIRING).

11 2. ALUMINUM SIDING - installed in a uniform manner on all exposed sides of the building (SEE
12 RESURFACING).

13 3. BOILER AND/OR BURNER - new unit(s) including electrical work and additional components
14 needed for the installation.

15 4. BOILER ROOM - new room where none existed before; or enlargement of existing one to
16 accommodate new boiler.

17 5. CATWALK – complete replacement.

18 6. CHIMNEY - complete replacement, or new one where none existed before, including additional
19 components needed for the installation.

20 7. COURTYARD, DRIVEWAYS AND WALKWAYS - resurfacing of entire original area within
21 the property lines of the premises.

1 8. DOORS - new lobby front entrance and/or vestibule doors; or entrance to every housing
2 accommodation, or fireproof doors for public hallways, basement, boiler room and roof bulkhead.

3 9. ELEVATOR UPGRADING - including new controllers and selectors; or new electronic
4 dispatch overlay system; or new elevator where none existed before, including additional
5 components needed for the installation.

6 10. FIRE ESCAPES – complete new replacement including new landings.

7 11. GAS HEATING UNITS - new individual units with connecting pipes to every housing
8 accommodation.

9 12. HOT WATER HEATER - new unit for central heating system.

10 13. INTERCOM SYSTEM - new replacement; or one where none existed before, with automatic
11 door locks and pushbutton speakerboxes and/or telephone communication, including security
12 locks on all entrances to the building.

13 14. MAILBOXES - new replacements and relocation from outer vestibule to an area behind locked
14 doors to increase security.

15 15. PARAPET - complete replacement.

16 16. POINTING AND WATERPROOFING - as necessary on exposed sides of the building.

17 17. REPIPING - new hot and/or cold water risers, returns, and branches to fixtures in every housing
18 accommodation, including shower bodies, and/or new hot and/or new cold water overhead mains,
19 with all necessary valves in basement.

20 18. RESURFACING OF EXTERIOR WALLS - consisting of brick or masonry facing on entire
21 area of all exposed sides of the building.

1 19. REWIRING: - new copper risers and feeders extending from property box in basement to every
2 housing accommodation; must be of sufficient capacity (220 volts) to accommodate the
3 installation of air conditioner circuits in living room and/or bedroom; but otherwise excluding
4 work done to effectuate conversion from master to individual metering of electricity approved by
5 DHCR pursuant to paragraph (3) of subdivision (e) of this section.

6 20. ROOF - complete replacement or roof cap on existing roof installed after thorough scraping
7 and leveling as necessary.

8 21. SOLAR HEATING SYSTEM - new central system, including additional components required
9 for the system.

10 22. STRUCTURAL STEEL - complete new replacement of all beams including footing and
11 foundation.

12 23. TELEVISION SYSTEM - new security monitoring system including additional components
13 required for the system.

14 24. WASTE COMPACTOR - new installation(s) serving entire building.

15 25. WASTE COMPACTOR ROOM - new room where none existed before.

16 26. WATER SPRINKLER SYSTEM (FOR FIRE CONTROL PURPOSES) - new installation(s).

17 27. WATER TANK - new installation(s).

18 28. WINDOWS - new framed windows.

1 (4) Any temporary increase pursuant to paragraph (1) of this subdivision shall be 1/144 of the total cost
2 for a building with thirty-five or fewer housing accommodations, or 1/150 of the total cost for a building
3 with more than thirty-five housing accommodations, for any determination issued by DHCR after June
4 14, 2019, and such temporary increase shall be removed from the legal regulated rent thirty (30) years
5 from the date the increase became effective inclusive of any increases granted by the applicable rent
6 guidelines board. For increases pursuant to subparagraphs (1) (iii) and (iv) of this subdivision, in the
7 discretion of the DHCR, an appropriate charge may be imposed in lieu of an amortization charge when an
8 amortization charge is insignificant or inappropriate.

9 (5)

10 (i) A temporary major capital improvement increase is fixed to the unit and such increase shall be
11 collectible prospectively on the first day of the first month beginning sixty (60) days from the date
12 of mailing notice of approval to the tenant. Such notice shall disclose the total monthly increase
13 in rent and the first month in which the tenant would be required to pay the temporary increase.
14 An approval for a temporary major capital improvement increase shall not include retroactive
15 payments.

16 (ii) The temporary major capital improvement increase is added to the legal regulated rent as a
17 temporary increase and will be removed from the legal regulated rent thirty (30) years from the
18 date the increase became effective inclusive of any increases granted by the local rent guidelines
19 board. The DHCR shall issue a notice to the owner and all the tenants sixty (60) days prior to the
20 end of the temporary major capital improvement increase and shall include the initial approved
21 increase and the total amount to be removed from the legal regulated rent inclusive of any increases
22 granted by the applicable rent guidelines board.

1 (iii) Such temporary increases shall not be collectible during the term of a lease then in effect,
2 unless a specific provision in the tenant's lease authorizes an increase during its term pursuant to
3 an order issued by the DHCR.

4 (iv) The collection of such temporary increases shall not exceed two percent in any year from the
5 effective date of the order granting the increase over the rent set forth in the schedule of gross
6 rents, with collectability of any dollar excess above said sum to be spread forward in similar
7 increments and added to the rent as established or set in future years. In no event shall more than
8 one two-percent increase in the legal regulated rent pursuant to paragraph (1) of this subdivision
9 be collected in the same year, provided, however, that upon a vacancy, the owner may temporarily
10 increase the rent to the full temporary major capital improvement increase amount.

11 (v) In addition, for any rent increases due to any major capital improvements approved on or after
12 June 16, 2012 and before June 16, 2019, an owner may not collect more than two percent in any
13 year from any tenant in occupancy on the date the major capital improvement was approved,
14 provided the tenant has entered into a renewal lease commencing on or after June 14, 2019, or is
15 or was entitled to receive a renewal lease on or after such date. In such event, the adjusted limit on
16 collectability shall take effect on the first anniversary of the date on which the increase became
17 collectible to occur after such lease renewal.

18 (vi) An increase pursuant to paragraph (1) of this subdivision shall not be collectible from a tenant
19 to whom there has been issued a currently valid senior citizen or disability rent increase exemption
20 pursuant to section 26-509 of the Administrative Code of the City of New York, to the extent such
21 increase causes the legal regulated rent of the housing accommodation to exceed one third of the
22 aggregate disposable income of all members of the household residing in the housing
23 accommodation.

1 (6) The determination of the appropriate adjustment of a legal regulated rent shall take into consideration
2 all factors bearing on the equities involved, subject to the general limitation that the adjustment can be put
3 into effect without dislocation and hardship inconsistent with the purposes of the RSL, and including as a
4 factor a return of the actual, reasonable, and verifiable cost to the owner, limited to the reasonable cost
5 schedule in paragraph (2) of this subdivision and exclusive of interest or other carrying charges, and the
6 increase in the rental value of the housing accommodations.

7 (7) DHCR may issue, upon an owner application, an advisory prior opinion pursuant to section 2527.11
8 of this Title, as to whether the proposed work qualifies for an increase in the legal regulated rent.

9 (8) No increase pursuant to paragraph (1) of this subdivision shall be granted by the DHCR, unless an
10 application is filed no later than two years after the completion of the installation or improvement unless
11 the applicant can demonstrate that the application could not be made within two years due to delay, beyond
12 the applicant's control, in obtaining required governmental approvals for which the applicant has applied
13 within such two-year period.

14 (9) An increase for an improvement made pursuant to paragraph (1) of this subdivision shall not be granted
15 by the DHCR to the extent that, after a plan for the conversion of a building to cooperative or condominium
16 ownership is declared effective, such improvement is paid for out of the cash reserve fund of the
17 cooperative corporation or condominium association. However, where prior to the issuance of an order
18 granting the increase, the funds taken from the reserve fund are returned to it by the sponsor or holder of
19 unsold shares or units or through a special assessment of all shareholders or unit owners, the increase may
20 be based upon the actual, reasonable and verifiable cost of the improvement. Nothing in this paragraph
21 shall prevent an owner from applying for, and the DHCR from granting, an increase for such improvement
22 to the extent that the cost thereof is otherwise paid for by an owner.

1 (10) Any temporary major capital improvement increase granted pursuant to paragraph (1) of this
2 subdivision shall be reduced by an amount equal to (i) any governmental grant received by the landlord,
3 where such grant compensates the landlord for any improvements required by a city, state or federal
4 government, an agency or any granting governmental entity to be expended for improvements and (ii) any
5 insurance payment received by the landlord where such insurance payment compensates the landlord for
6 any part of the costs of the improvements. Low interest loans or repayable subsidies shall not be
7 considered grants for the purposes of this paragraph.

8 (11) Rent adjustments pursuant to paragraph (1) of this subdivision and subdivisions (c) and (d) of this
9 section shall be allocated as follows: The DHCR shall determine the dollar amount of the monthly rent
10 adjustment. Such dollar amount shall be divided by the total number of rooms in the building. The amount
11 so derived shall then be added to the rent chargeable to each housing accommodation in accordance with
12 the number of rooms contained in such housing accommodation.

13 (12) When determining the adjustment of legal regulated rents pursuant to paragraph (1) of this
14 subdivision, where the subject building contains commercial rental space in addition to residential rental
15 space, and the DHCR determines that such commercial space benefits from the improvement, DHCR shall
16 allocate the approved costs between the commercial rental space and the residential rental space based
17 upon the relative square feet of each rental area.

18 (13) The DHCR shall not grant an owner's application for a rental adjustment pursuant to paragraph (1)
19 of this subdivision, in whole or in part, if after review by DHCR, it is determined that the owner is not
20 maintaining all required building wide services, or that there are outstanding hazardous, immediately
21 hazardous, or other similar violations of any municipal, county, State or Federal law, including the
22 Uniform Fire Prevention and Building Code (Uniform Code), New York City Fire Code, or New York
23 City Building and Housing Maintenance Codes. Certain tenant caused violations may be excepted. A

1 tenant's repeated failure to provide access to remediate a violation may result in the violation being
2 considered to be tenant caused.

3 (i) An owner application, pursuant to paragraph (1) of this subdivision, may be rejected if it is
4 determined that there are one or more unresolved applicable violations. A rejected application may
5 be refiled within sixty (60) days which shall stay the two-year filing requirement provided in
6 paragraph (8) of this subdivision and preserve the original filing date. In the absence of good cause
7 shown, a rejected application that is refiled outside of the sixty (60) day period will not retain the
8 original filing date.

9 (ii) A timely refiled application pursuant to paragraph 13(i) of this subdivision, that has not
10 addressed the outstanding violations placed against the building or has had new violations placed
11 against the building in the interim period since rejection, will again be denied without leave to
12 refile within sixty (60) days.

13 (iii) Prior to the issuance of a determination, the DHCR shall review and determine if one or more
14 violations have been issued and not corrected to the subject building during the processing of an
15 owner application pursuant to paragraph (1) of this subdivision. The owner will be allowed sixty
16 (60) days to correct such violation(s). In the absence of good cause shown, failure to correct the
17 violation(s) within the allotted time shall result in a denial of the application.

18 (iv) DHCR shall retain the ability and right where appropriate to review all penalties and violations
19 at any other time during the pendency of such application.

20 (14) In the case of an improvement constituting a moderate rehabilitation as defined in section 5-02 of
21 title 28 of the Rules of the City of New York, an owner may elect that the total cost for such improvement
22 be deemed to be the amount certified by the Office of Tax Incentive Programs of HPD in the certificate

1 of eligibility and reasonable cost issued by such office with respect to such improvement. Such election
2 shall be binding on the DHCR and shall waive any claim for a rent increase by reason of any difference
3 between the total cash paid by the owner and such lesser certified amount.

4 (15) Where an application for a temporary major capital improvement rent increase has been filed, a tenant
5 shall have sixty (60) days from the date of mailing of a notice of a proceeding in which to answer or reply.
6 The DHCR shall provide any responding tenant with the reasons for the DHCR's approval or denial of
7 such application.

8 (16) Where during the processing of a rent increase application filed pursuant to paragraph (1) of this
9 subdivision, tenants interpose answers complaining of defective operation of the major capital
10 improvement, the complaint may be resolved in the following manner:

11 (i) Where municipal sign-offs (other than building permits) are required for the approval of the
12 installation, and the tenants' complaints relate to the subject matter of the sign-off, the complaints
13 may be resolved on the basis of the sign-off, and the tenants referred to the approving governmental
14 agency for whatever action such agency may deem appropriate.

15 (ii) Where municipal sign-offs are not required, or where the alleged defective operation of the
16 major capital improvement does not relate to the subject matter of the sign-off, the complaint may
17 be resolved by the affidavit of an independent licensed architect or engineer that the condition
18 complained of was investigated and found not to have existed, or if found to have existed, was
19 corrected. Such affidavit, which shall be served by the DHCR on the tenants, will raise a rebuttable
20 presumption that the major capital improvement is properly operative. Tenants may only rebut this
21 presumption based on persuasive evidence, for example, a counter affidavit by an independent
22 licensed architect or engineer, or an affirmation by 51 percent of the complaining tenants.

1 (a) General requirements. There must be no common ownership, or other financial interest,
2 between such architect or engineer and the owner or tenants. The affidavit shall state that
3 there is no such relationship or other financial interest. The affidavit must also contain a
4 statement that the architect or engineer did not engage in the performance of any work,
5 other than the investigation, relating to the conditions that are the subject of the affidavit.
6 The affidavit submitted must contain the signature and professional stamp of the architect
7 or engineer. DHCR may conduct follow-up inspections randomly to ensure that the
8 affidavits accurately indicate the condition of the premises. Any person or party who
9 submits a false statement shall be subject to all penalties provided by law.

10 (iii) At the discretion of the DHCR, the DHCR may inspect the major capital improvement to
11 determine whether the installation was conducted in a workmanlike manner or the work was
12 sufficiently comprehensive so as to benefit all tenants.

13 (17) The DHCR shall annually inspect and audit no less than twenty-five percent of applications for a
14 temporary major capital improvement increase that have been submitted and approved. Such process shall
15 include individual inspections and document review to ensure that owners complied with all obligations
16 and responsibilities under the law for temporary major capital improvement increases. Inspections shall
17 include in-person confirmation that such improvements have been completed in such way as described in
18 the application.

1 26. Existing subdivisions (b), (c), (d), (e), (f) of 9 NYCRR § 2522.4 are to be renumbered as (c), (d), (e),
2 (f), (g).

3
4 27. The new subdivision (d) of 9 NYCRR § 2522.4 is amended as follows:

5 (d) [(c)] Alternative hardship. As an alternative to the hardship application provided under subdivision (c)
6 [(b)] of this section, owners of buildings, not owned as cooperatives or condominiums, acquired by the
7 same owner or a related entity owned by the same principals three years prior to the date of application,
8 may apply to the DHCR, on forms prescribed by the DHCR, for increases in excess of the level of
9 applicable guidelines increases established under the RSL, based on a finding by the DHCR that such
10 guidelines increases are not sufficient to enable the owner to maintain an annual gross rent income
11 collectible for such building which exceeds the annual operating expenses of such building by a sum equal
12 to at least five percent of such annual gross rent income collectible, subject to the definitions and
13 restrictions provided for herein.

14 (1) Definitions. The following terms shall mean:

15 (i) Annual gross rental income collectible shall consist of the actual income receivable per annum arising
16 out of the operation and ownership of the property, including but not limited to rental from housing
17 accommodations, stores, professional or business use, garages, parking spaces, and income from
18 easements or air rights, washing machines, vending machines and signs, plus the rent calculated under
19 subparagraph (2)(vi) of this subdivision. In ascertaining income receivable, the DHCR shall determine
20 what efforts, if any, the owner has followed in collecting unpaid rent.

21 (ii) Operating expenses shall consist of the actual, reasonable costs of fuel, labor, utilities, taxes (other
22 than income or corporate franchise taxes), fees (not including attorney's fees related to refinancing of the

1 mortgage), permits, necessary contracted services and noncapital repairs for which an owner is not eligible
2 for an increase pursuant to this Part, insurance, parts and supplies, reasonable management fees, mortgage
3 interest, and other reasonable and necessary administrative costs applicable to the operation and
4 maintenance of the property.

5 (iii) Mortgage interest shall be deemed to mean interest on that portion of the principal of an institutional
6 or a bona fide mortgage, including an allocable portion of the charges related to the refinancing of the
7 balance of an existing mortgage or a purchase-money mortgage. Criteria to be considered in determining
8 a bona fide mortgage other than an institutional mortgage shall include, but shall not be limited to, the
9 following: the condition of the property, the location of the property, the existing mortgage market at the
10 time the mortgage is placed, the principal amount of the mortgage, the term of the mortgage, the
11 amortization rate, security and other terms and conditions of the mortgage.

12 (iv) Institutional mortgage shall include a mortgage given to any insurance company, licensed by the State
13 of New York or authorized to do business in the State of New York, or any commercial bank, trust
14 company, savings bank or savings and loan association (which must be licensed under the laws of any
15 jurisdiction within the United States and authorized to do business in the State of New York). The DHCR
16 may determine in its discretion that any other mortgage issued by a duly licensed lending institution is an
17 institutional mortgage.

18 (v) Owner's equity shall mean the sum of:

19 (a) the purchase price of the property less the principal of any mortgage or loan used to finance the
20 purchase of the property;

21 (b) the cost of any capital improvement for which the owner has not collected an increase in rent less the
22 principal of any mortgage or loan used to finance said improvement;

1 (c) any repayment of the principal of any mortgage or loan used to finance the purchase of the property or
2 any capital improvement for which the owner has not collected an increase in rent; and

3 (d) any increase in the equalized assessed value of the property which occurred subsequent to the first
4 valuation of the property after purchase by the owner.

5 (vi) Threshold income shall mean that annual gross rental income collectible for such building which
6 exceeds the annual operating expense for such building by a sum equal to five percent of such annual
7 gross rental income collectible.

8 (vii) Test year shall mean any one of the following:

9 (a) the most recent calendar year (January 1st to December 31st); or

10 (b) the most recent fiscal year (one year ending on the last day of a month other than December 31st,
11 provided that books of account are maintained and closed accordingly; or

12 (c) any 12 consecutive months ending within 90 days prior to the date of filing of the hardship application.
13 Such period must end on the last day of a month. Nothing herein shall prevent the DHCR from comparing
14 and adjusting expenses and income during the test year with expenses and income occurring during the
15 three years prior to the date of application in order to determine the reasonableness of such expenses and
16 income.

17 (2) Restrictions. No owner may file an application, nor may an owner be granted an increase in excess of
18 the level of applicable guidelines increases, unless:

19 (i) the collection of any increase in the legal regulated rent for any housing accommodation pursuant to
20 this subdivision shall not exceed six percent in any year from the effective date of the order granting the
21 increase over the rent set forth in the schedule of gross rents, with collectability of any dollar excess above

1 said sum to be spread forward in similar increments and added to the legal regulated rent as established
2 or set in future years;

3 (ii) if the building was previously granted a hardship increase, such increase must have become effective
4 more than 36 months prior to the filing date of the application;

5 (iii) the owner has resolved all legal objections to any real estate taxes and water and sewer charges for
6 the test year. However, if there is a pending certiorari proceeding relating to the real estate tax expense for
7 the test year, an owner may be permitted to file a hardship application. In such cases, the amount of real
8 estate tax expense that will be recognized for purposes of the test year will be based upon the amount of
9 proposed assessed value set forth by the owner in the certiorari petition; provided, however, that the owner
10 submits proof of actual payment of all taxes due on the proposed assessed value, in accordance with
11 applicable law. If after such tax objection is resolved, the owner's actual and reasonable tax expense
12 allocable to the test year exceeds the amount the DHCR used in determining the hardship application, an
13 additional increase may be granted prospectively by the DHCR in its discretion. The DHCR may also, in
14 its discretion, accept reasonable alternatives as to unresolved water and sewer charges;

15 (iv) the DHCR shall not grant an owner an increase as provided, in whole or in part, if it is determined
16 prior to the granting of approval to collect an increase pursuant to this subdivision that the owner is not
17 maintaining all required services or there are current immediately hazardous violations of any municipal,
18 county, State or Federal law which relate to the maintenance of such services. However, as determined by
19 the DHCR, where the DHCR determines that insufficient income is the cause of such failure to maintain
20 required services, hardship increases may be granted upon condition that such services will be restored
21 within a reasonable time, and certain tenant-caused violations may be excepted;

1 (v) in buildings that also contain housing accommodations subject to the City Rent Law, appropriate
2 adjustments for both income and expenses will be made by the DHCR in order to calculate the pro rata
3 share for those housing accommodations subject to this application;

4 (vi) the DHCR shall set a rental value for any housing accommodation occupied by the owner or managing
5 agent, or a person related to, or an employee of the owner or managing agent, or unoccupied at the owner's
6 choice for more than one month at the last regulated rent plus the minimum number of guidelines increases
7 or, if no such regulated rent existed or is known, the DHCR shall impute a rent equal to the average of
8 rents for similar or comparable housing accommodations subject to this Code in the building during the
9 test year;

10 (vii) each owner who files an application for a hardship rent increase shall be required to maintain all
11 records as submitted with the subject application, and further be required to retain same for a period of
12 three years after the effective date of the order;

13 (viii) each application under this subdivision shall be certified by the owner or his or her duly authorized
14 agent as to its accuracy and compliance with this subdivision, under the penalty of perjury;

15 (ix) the annual gross rent income collectible for the test year does not exceed the annual operating expenses
16 of such building by a sum equal to at least five percent of such annual gross rental income collectible;

17 (x) the owner or a related entity owned by the same principals acquired the building at least 36 months
18 prior to the date of application. A cooperative corporation or the board of managers of a condominium
19 association shall not be considered the owner of the building, nor are individual shareholders or unit
20 owners considered to be building owners for the purpose of eligibility for the alternative hardship, and as
21 such are not permitted to file alternative hardship applications;

22 (xi) the owner's equity in the building exceeds five percent of the sum of:

1 (a) the arm's-length purchase price of the property;

2 (b) the cost of any capital improvements for which the owner has not collected an increase in rent pursuant
3 to paragraph (b)(1) [(a)(2)] of this section;

4 (c) any repayment of principal of any mortgage or loan used to finance the purchase of the property or any
5 capital improvements for which the owner has not obtained an adjustment in rent pursuant to paragraph
6 (b)(1) [(a)(2)] of this section; and

7 (d) any increase in the equalized assessed value of the property which occurred subsequent to the first
8 valuation of the property after purchase by the owner; and

9 (xii) the maximum amount of hardship increase to which an owner shall be entitled shall be the difference
10 between the threshold income and the annual gross rent income collectible for the test year.

11 (3) Right of tenant to cancel lease where rent increase based upon hardship is granted. If an order is issued
12 increasing the legal regulated rent because of owner hardship, the tenant may within 30 days of his or her
13 receipt of a copy of the DHCR order, cancel his or her lease on 60 days' written notice to the owner. Until
14 such tenant vacates, he or she continues in occupancy at the approved increase in rent.

15 **28. The new subdivision (e) of 9 NYCRR § 2522.4 is amended as follows:**

16 (e) [(d)] An owner may file an application to decrease required services for a reduction of the legal
17 regulated rent on forms prescribed by the DHCR on the grounds that:

18 (1) the owner and tenant, by mutual voluntary written agreement, consent to a decrease in dwelling space,
19 or a decrease in the services, furniture, furnishings or equipment provided in the housing accommodation;

20 or

1 (2) such decrease is required for the operation of the building in accordance with the specific requirements
2 of law; or

3 (3) such decrease results from an approved conversion from master metering of electricity, with the cost
4 of electricity included in the rent, to individual metering of electricity, with the tenant paying separately
5 for electricity, and is in amounts set forth in a Schedule of Rent Reductions for different-sized rent
6 stabilized housing accommodations included in Operational Bulletin [2003-1]2014-1 and any successor
7 thereto governing electrical conversions issued pursuant to this paragraph and Section 2527.11 of this
8 Title by DHCR, 92-31 Union Hall Street, Jamaica, Queens, New York, and available at DHCR's website
9 at [www.dhcr.state.ny.us] www.hcr.ny.gov and determined as follows:

10 (i) Direct Metering: Where the conversion is to direct metering of electricity, with the tenant purchasing
11 electricity directly from a utility, such Schedule of Rent Reductions is based on the median monthly costs
12 of electricity to tenants derived from data from the United States Census Bureau's "[2002] New York City
13 Housing and Vacancy Survey," as tabulated by the New York City Rent Guidelines Board, 1 Centre Street,
14 Suite 2210 [51 Chambers Street, Suite 202], New York, New York, and available on its website at
15 rentguidelinesboard.cityofnewyork.us [www.housingnyc.com]. The charge for electricity is not part of the
16 work collection of such charge is not within the jurisdiction of the DHCR. A conversion to direct metering
17 is required to include rewiring the building unless the owner can establish that rewiring is unnecessary.

18 (ii) Submetering: Where the conversion is to submetering of electricity, with the tenant purchasing
19 electricity from the owner or a contractor retained by the owner, who purchases electricity from a utility
20 at the bulk rate, such Schedule of Rent Reductions is based on the median monthly cost of electricity to
21 tenants derived from data from the United States Census Bureau's "[2002] New York City Housing and
22 Vacancy Survey," as tabulated by the New York City Rent Guidelines Board, 1 Centre Street, Suite 2210
23 [51 Chambers Street, Suite 202], New York, New York, and available on its website at

1 rentguidelinesboard.cityofnewyork.us [www.housingnyc.com], adjusted to reflect the bulk rate for
2 electricity plus a reasonable service fee for the cost of meter reading and billing, based on the maximum
3 estimated fee included in the "Residential Electric Submetering Manual" revised October 2001, published
4 by the New York State Energy Research and Development Authority, 17 Columbia Circle, Albany, New
5 York, and available on its website at www.nysesda.org, and reflected in Operational Bulletin [2003-
6 1]2014-1 and any successor thereto. The owner or contractor retained by the owner is not permitted to
7 charge the tenant more than the bulk rate for electricity plus a reasonable service charge for the cost of
8 meter reading and billing. The charge for electricity as well as any related service surcharge is not part of
9 the legal regulated rent and is not subject to this Code. The resolution of any dispute arising from the
10 billing or collection of such charge or surcharge is not within the jurisdiction of the DHCR. A conversion
11 to submetering does not require rewiring the building provided the owner submits an affidavit sworn to
12 by a licensed electrician that the existing wiring is safe and of sufficient capacity for the building.

13 (iii) Recipients of Senior Citizen Rent Increase Exemptions (SCRIE) or Disability Rent Increase
14 Exemptions (DRIE): For a tenant who on the date of the conversion is receiving a SCRIE or DRIE
15 authorized by section 26-509 of the Rent Stabilization Law of Nineteen Hundred Sixty-nine, the rent is
16 not reduced and the cost of electricity remains included in the rent, although the owner is permitted to
17 install any equipment in such tenant's housing accommodation as is required for effectuation of electrical
18 conversion pursuant to this paragraph.

19 (a) After the conversion, upon the vacancy of the tenant, the owner, without making application to DHCR,
20 is required to reduce the legal regulated rent for the housing accommodation in accordance with the
21 Schedule of Rent Reductions set forth in Operational Bulletin [2003-1]2014-1 and any successor thereto,
22 and thereafter any subsequent tenant is responsible for the cost of his or her consumption of electricity,

1 and for the legal rent as reduced, including any applicable major capital improvement rent increase based
2 upon the cost of work done to effectuate the electrical conversion.

3 (b) After the conversion, if a tenant ceases to receive a SCRIE or DRIE, the owner, without making
4 application to DHCR, may reduce the rent in accordance with the Schedule of Rent Reductions set forth
5 in Operational Bulletin [2003-1]2014-1 and any successor thereto, and thereafter the tenant is responsible
6 for the cost of his or her consumption of electricity, and for the legal rent as reduced, including any
7 applicable major capital improvement rent increase based upon the cost of work done to effectuate the
8 electrical conversion, for as long as the tenant is not receiving a SCRIE or DRIE. Thereafter, in the event
9 that the tenant resumes receiving a SCRIE or DRIE, the owner, without making application to DHCR, is
10 required to eliminate the rent reduction and resume responsibility for the tenant's electric bills.

11 (iv) [Every three years] Periodically, upon the publication of a new New York City H[h]ousing and
12 V[v]acancy S[s]urvey, and tabulation of the survey data by the New York City Rent Guidelines Board,
13 DHCR [shall] may issue a new Operational Bulletin governing electrical conversions setting forth rent
14 reductions based on the new survey data, and [shall move to amend the regulations to] may incorporate
15 by reference the new Operational Bulletin, the new New York City H[h]ousing and V[v]acancy S[s]urvey,
16 and Rent guidelines Board tabulation. At such time as NYSERDA issues a new Residential Electric
17 Submetering Manual setting forth a new maximum estimated submetering service fee, DHCR shall move
18 to amend the regulations to incorporate that document by reference.

19 (4) such decrease is not inconsistent with the RSL or this Code. No such reduction in rent or decrease in
20 services shall take place prior to the approval by the DHCR of the owner's application, except that a service
21 decrease pursuant to paragraph (2) of this subdivision may take place prior to such approval.

22 **29. The new subdivision (g) of 9 NYCRR § 2522.4 is amended as follows:**

1 (g) [(f)] Pursuant to section 452(7) of the PHFL, as an alternative to the rental adjustments for which an owner
2 may file an application under subdivision (a) or (b) of this section, upon the completion of the rehabilitation
3 of a multiple dwelling which is aided by a loan made pursuant to article VIII-A of the PHFL, HPD may adjust
4 the rent for each housing accommodation within the multiple dwelling pursuant to such law. Any work
5 required pursuant to or as a condition of an article VIII-A loan for which a rent adjustment is granted under
6 section 452(7) of the PHFL is not eligible for an increase pursuant to paragraph (c) [(b)] (2) or (3) of this
7 section.

8 **30. Subdivisions (d)(3) and (d)(4) of 9 NYCRR § 2522.5 are amended as follows:**

9 (3) where such lease provides that a rent increase shall be in the amount, if any, authorized by the DHCR in
10 the event an application is filed to establish a hardship pursuant to section 2522.4([b]c) or ([c]d) of this Part;
11 and

12 (4) in the case of a vacancy lease, where an application for a rent adjustment pursuant to 2522.4[(a)(2),](b),
13 [or] (c) or (d) of this Part is pending before the DHCR, such lease also recites that such application is pending
14 before the DHCR and the basis for the adjustment, and that the increase which is the subject of such
15 application, if granted, may be effective during the term of the lease.

16
17 **31. Subdivision (f) of 9 NYCRR § 2522.5 is repealed, and subdivisions(g) and (h) of 9 NYCRR § 2522.5**
18 **are to be renumbered as subdivisions (f) and (g) of 9 NYCRR § 2522.5.**

19
20 **32. The new subdivision (f) of 9 NYCRR § 2522.5 is amended as follows:**

21 [(g)](f) Same terms and conditions.

1 (1) The lease provided to the tenant by the owner pursuant to subdivision (b) of this section shall be on
2 the same terms and conditions as the expired lease, except where the owner can demonstrate that the
3 change is necessary in order to comply with a specific requirement of law or regulation applicable to the
4 building or to leases for housing accommodations subject to the RSL, or with the approval of the DHCR.
5 Nothing herein may limit the inclusion of authorized clauses otherwise permitted by this Code or by order
6 of the DHCR not contained in the expiring lease. Notwithstanding the foregoing, the tenant shall have the
7 right to have his or her spouse or domestic partner added to the lease or any renewal thereof as an
8 additional tenant where said spouse or domestic partner resides in the housing accommodation as his or
9 her primary residence.

10 [(2) Where an owner has filed an Owner's Petition for Decontrol (OPD) with the DHCR, as provided for
11 in section 2531.3 of this Title, and the period during which the owner must offer a renewal lease pursuant
12 to section 2523.5 (a) of this Title has not expired, and the proceeding for decontrol is pending, the owner
13 shall be permitted to attach a rider to the offered renewal lease, on a form prescribed or a facsimile of such
14 form approved by the DHCR, containing a clause notifying the tenant that the offered renewal lease, if
15 accepted, shall nevertheless no longer be in effect after 60 days from the issuance by the DHCR of an
16 order of decontrol, or, in the event that a petition for administrative review (PAR) is filed against such
17 order of decontrol, after 60 days from the issuance by the DHCR of an order dismissing or denying the
18 PAR.]

19 **33. The new subdivision (g) of 9 NYCRR § 2522.5 is amended as follows:**

20 [(h)](g) Leases for housing accommodations in cooperative[-] or condominium-owned buildings[, or in
21 a building for which the Attorney General has accepted for filing a plan to convert the building to
22 cooperative or condominium ownership] shall be governed as follows:[]

1 (1) An owner of one or more housing accommodations subject to this Code may evict the tenant
2 of such housing accommodation and/or refuse to renew a lease therefor, if such housing
3 accommodation is in a building, group of buildings or development which is the subject of an
4 Eviction Plan for conversion to cooperative or condominium ownership under General Business
5 Law, section 352-eeee (hereinafter "section 352-eeee"), provided:

6 (i) the Attorney General has accepted for filing a plan to convert the building, group of
7 buildings or development to cooperative or condominium ownership and an amendment
8 declaring the plan effective as an Eviction Plan has been accepted for filing and a closing
9 has been held thereunder; and

10 (ii) three years have elapsed from the date on which the Attorney General has accepted for
11 filing an amendment declaring the plan effective as an Eviction Plan, and at such time or
12 thereafter the tenant's lease has expired or has been cancelled pursuant to paragraph (2) of
13 this subdivision.

14 (2) [Until the conditions set forth in paragraph (1) of this subdivision have been met, a]A tenant
15 in occupancy of a housing accommodation subject to this Code shall have the right to a renewal
16 lease or in the case of a permanent tenant, to continue his or her tenancy on the terms and conditions
17 and at the rent and adjustments thereto as otherwise provided for in this Code. [Notwithstanding
18 the foregoing, any vacancy or renewal lease, entered into after the plan is accepted for filing by
19 the Attorney General and such plan has been presented to the tenants in occupancy, may contain a
20 provision authorizing the owner to cancel the lease as of a date not less than three years after the
21 date an Eviction Plan has been declared effective (providing that title has passed to the cooperative
22 corporation or condominium unit owners) on 90 days' notice to the tenant. In order to cancel a
23 lease pursuant to such provision, the owner must give the tenant written notice of such election by

1 certified mail no less than 90 days prior to the date upon which the cancellation is to become
2 effective.]

3 (3) For the purposes of this section, filing date shall mean the date on which a letter was issued
4 by the Attorney General accepting a plan for filing.

5 (4) After the filing date, and prior to the plan being declared effective, if a housing accommodation
6 subject to this Code is vacated, such housing accommodation may only be rented at a rent and
7 upon such terms and conditions as are authorized under this Code for a vacancy lease.
8 Notwithstanding the foregoing, if a vacancy lease herein called an interim lease for such housing
9 accommodation is executed in connection with an agreement to purchase such housing
10 accommodation or the shares allocated thereto, pursuant to any Eviction Plan or Non-Eviction
11 Plan, as defined by section 352-eeee, such interim lease:

12 (i) may provide that once the plan has been declared effective, if the tenant fails to purchase
13 his or her housing accommodation or the shares allocated thereto on the terms set forth in
14 the subscription or purchase agreement, or otherwise terminates or defaults on the
15 subscription or purchase agreement, such tenant may be evicted; and

16 (ii) may provide for a rental below the legal regulated rent which [may] shall not, upon the
17 abandonment or withdrawal of the plan, be increased to the legal regulated rent [, provided
18 the interim lease or other agreement clearly notifies the tenant of what that higher rental
19 will be]. If the plan is abandoned or withdrawn, such tenant remains a rent-stabilized tenant.

20 (5) If a housing accommodation which was subject to this Code is vacated or is rented to a new
21 tenant after any plan which affects such housing accommodation has been declared effective, and
22 a closing thereunder has occurred, such housing accommodation shall not be subject to this Code.

1 (6) If a building, group of buildings or development containing units to which this Code applies
2 is converted to cooperative or condominium ownership[, whether or not such conversion is
3 pursuant to an Eviction Plan or a Non-eviction Plan as defined by section 352-eeee], the services
4 which shall be required to be maintained under this Code with respect to housing accommodations
5 which remain subject to this Code shall not be diminished or modified without the approval of the
6 DHCR as provided for in section 2522.4[(d)](e) or [(e)](f) of this Part.

7 [(7) The provisions of paragraph (h)(1) of this section, and the right to include a cancellation
8 clause as provided by paragraph (h)(2), shall not apply to a housing accommodation of which the
9 tenant is a senior citizen or disabled person on the filing date. Until such time as the appropriate
10 agency determines that such tenant is not eligible for such status, such tenant shall continue to be
11 subject to the provisions of this Code.]

12
13 **34. Subdivision (b) of 9 NYCRR § 2522.6 is repealed and replaced with a new subdivision (b) as follows:**

14 (b)

15 (1) Such order shall determine such facts or establish the legal regulated rent in accordance with the
16 provisions of this Code. Where such order establishes the legal regulated rent, it shall contain a directive
17 that all rent collected by the owner in excess of the legal regulated rent shall be refunded to the tenant, or
18 any prior tenant, pursuant to the procedures and requirements set forth by Section 2526.1 or Section 2526.7
19 of this Title. Orders issued pursuant to this section shall be based upon the law and Code provisions in
20 effect on March 31, 1984, if the complaint was filed prior to April 1, 1984.

21 (2) Where either:

1 (i) no base date, as defined in Section 2526.7 of this Title, can be determined, and the rent charged
2 on June 14, 2015 cannot be determined, or

3 (ii) the rent is the product of a fraudulent scheme to deregulate the apartment, or

4 (iii) a rental practice proscribed under section 2525.3 (b), (c) and (d) of this Title has been
5 committed, the rent shall be established at the lowest of the following amounts set forth in
6 subparagraph (i), (ii), (iii), or (iv) of paragraph (3) of this subdivision, Section 2526.7 of this Title,
7 or Section 2526.1 of this Title. Section 2526.1 of this Title shall only be applicable for complaints
8 filed prior to June 14, 2019.

9 (3) These amounts are:

10 (i) the lowest rent registered pursuant to section 2528.3 of this Code for a comparable apartment in the
11 building in effect on the date the complaining tenant first occupied the apartment; or

12 (ii) the complaining tenant's initial rent reduced by the percentage adjustment authorized by section
13 2522.8 of this Code; or

14 (iii) the last registered rent paid by the prior tenant; or

15 (iv) if the documentation set forth in subparagraphs (i) through (iii) of this paragraph is not available or
16 is inappropriate, an amount based on data compiled by the DHCR, using sampling methods determined
17 by the DHCR, for regulated housing accommodations.

18 (4) This subdivision shall also apply where the owner purchases the housing accommodations subsequent
19 to judicial or other sales.

20 **35.9 NYCRR § 2522.7 is amended as follows:**

1 In issuing any order adjusting or establishing any legal regulated rent, [or in determining when a higher or
2 lower legal regulated rent shall be charged pursuant to an agreement between the DHCR and governmental
3 agencies or public benefit corporations,] the DHCR shall take into consideration all factors bearing upon the
4 equities involved, subject to the general limitation that such adjustment, establishment or determination can
5 be put into effect with due regard for protecting tenants and the public interest against unreasonably high rent
6 increases inconsistent with the purposes of the RSL, for preventing imposition upon the industry of any
7 industry-wide schedule of rents or minimum rents, and for preserving the regulated housing stock. DHCR
8 shall take into consideration all factors bearing upon the equities involved, including the creation of undue
9 hardship or prejudice in determining the retroactive application of orders which create arrears.

10 **36. 9 NYCRR § 2522.8 is repealed and replaced with a new 9 NYCRR § 2522.8 as follows:**

11 (a) The legal regulated rent for any vacancy lease effective on or after June 14, 2019 shall be as hereinafter
12 provided in this subdivision. The previous legal regulated rent for such housing accommodation shall be
13 increased by the following:

14 (1) if the vacancy lease is for a term of one year, the one-year guideline increase, as promulgated
15 by the Rent Guidelines Board, can be applied to the previous legal regulated rent; or

16 (2) if the vacancy lease is for a term of two years, the two-year renewal guideline increase, as
17 promulgated by the Rent Guidelines Board can be applied to the previous legal regulated rent.

18 (3) The increase authorized in this paragraph may not be implemented more than one time in any
19 calendar year, notwithstanding the number of vacancy leases or lease assignments entered into in
20 such year.

21 (b) Any rent increases lawfully implemented in accordance with this Title prior to June 14, 2019 shall
22 remain in effect.

1 **37. 9 NYCRR § 2522.9(b)(3) is amended as follows:**

2 (3) Where there is in effect a prior practice of charging for installation of a tenant-owned washing machine,
3 dryer or dishwasher, the owner may continue the charge [, which may also continue to be included in the legal
4 regulated rent, if such was the prior practice].

5 **38. 9 NYCRR § 2523.1 is amended as follows:**

6 Every owner of housing accommodations previously subject to the City Rent Law and thereafter rented to a
7 tenant on or after April 1, 1984, shall within 90 days after the commencement of the first tenancy subject to
8 the RSL, give notice in writing by certified mail to the tenant of each such housing accommodation on a form
9 prescribed by the DHCR for that purpose, reciting the initial legal regulated rent for the housing
10 accommodation and the tenant's right to file an application for adjustment of the initial legal regulated rent
11 within 90 days of the certified mailing to the tenant of the notice pursuant to section 2522.3 of this Title.
12 [Notwithstanding the foregoing, where such application is filed four years or more after the first date the
13 housing accommodation was no longer subject to the City Rent Law, the application shall be dismissed
14 pursuant to section 2522.3(c) of this Title.] Compliance with section 2528.2 of this Title shall also be
15 considered compliance with this section.

16 **39. 9 NYCRR § 2523.4(a) is amended as follows:**

17 (a)

18 (1) A tenant may apply to the DHCR for a reduction of the legal regulated rent to the level in
19 effect prior to the most recent guidelines adjustment, subject to the limitations of subdivisions (c)
20 - (h) of this section, and the DHCR shall so reduce the rent for the period for which it is found that
21 the owner has failed to maintain required services. The order reducing the rent shall further bar the
22 owner from applying for or collecting any further increases in rent that were or are authorized by

1 this Title [including such increases pursuant to section 2522.8 of this Title] until such services are
2 restored or no longer required pursuant to an order of the DHCR. If the DHCR further finds that
3 the owner has knowingly filed a false certification, it may, in addition to abating the rent, assess
4 the owner with the reasonable costs of the proceeding, including reasonable attorney's fees, and
5 impose a penalty not in excess of \$ 250 for each false certification.

6 (2) Where an application for a temporary rent adjustment pursuant to a Major Capital
7 Improvement as set forth in section 2522.4(b)[(a)(2)] of this Title has been granted, and collection
8 of such rent adjustment commenced prior to the effective date [issuance] of the rent reduction
9 order, the owner will not be permitted to continue to collect the rent adjustment while the rent
10 reduction order is in effect. [regardless of the effective date of the rent reduction order,
11 notwithstanding that such date is prior to the effective date of the order granting the adjustment.
12 In addition, regardless of the effective date thereof, a rent reduction order will not affect the
13 continued collection of a rent adjustment pursuant to an Individual Apartment Improvement as set
14 forth in section 2522.4(a)(1) of this Title, where collection of such rent adjustment commenced
15 prior to the issuance of the rent reduction order. However, an owner will not be permitted to collect
16 any increment pursuant to section 2522.4(a)(8) that was otherwise scheduled to go into effect after
17 the effective date of the rent reduction order.]

18 **40. 9 NYCRR § 2523.4(b) is amended as follows:**

19 (b) Proceedings pending on the effective date of this Code (May 1, 1987) involving tenant complaints of
20 owners' failure to provide hotel services shall be determined in accordance with the RSL and Hotel Industry
21 Code in effect [immediately prior to such effective date of this Code.] on April 30, 1987.

22 **41. 9 NYCRR § 2523.4(g)(1) is amended as follows:**

1 (g)

2 (1) Except as to complaints of inadequate heat and/or hot water, or applications relating to the
3 restoration of rents based upon the restoration of such services, whenever a complaint of building-
4 wide reduction in services, or an owner's application relating to the restoration of rents based upon
5 the restoration of such services is filed, the tenants or owner may submit with the complaint,
6 answer or application, the contemporaneous affidavit of an independent licensed architect or
7 engineer, substantiating the allegations of the complaint, answer, or application. The affidavit shall
8 state that the conditions that are the subject of the complaint, answer or application were
9 investigated by the person signing the affidavit and that the conditions exist [(if the affidavit is
10 offered by the tenants)] or do not exist [(if the affidavit is offered by the owner)]. The affidavit
11 shall specify what conditions were investigated and what the findings were with respect to each
12 condition. The affidavit shall state when the investigation was conducted, must be submitted within
13 a reasonable time after the completion of the investigation, and when served by DHCR on the
14 opposing party, will raise a rebuttable presumption that the conditions that are the subject of the
15 complaint, answer or application exist [(if the affidavit is submitted by the tenants),] or do not exist
16 [(if the affidavit is submitted by the owner)].

17
18 **42.9 NYCRR § 2523.5(b) is amended as follows:**

19 (b)

20 (1) Unless otherwise prohibited by occupancy restrictions based upon income limitations pursuant
21 to federal, state or local law, regulations or other requirements of governmental agencies, if an
22 offer is made to the tenant pursuant to the provisions of subdivision (a) of this section and such

1 tenant has permanently vacated the housing accommodation, any member of such tenant's family,
2 as defined in section 2520.6(o) of this Title, who has resided with the tenant in the housing
3 accommodation as a primary residence for a period of no less than two years, or where such person
4 is a "senior citizen," or a "disabled person" as defined in paragraph (4) of this subdivision, for a
5 period of no less than one year, immediately prior to the permanent vacating of the housing
6 accommodation by the tenant, or from the inception of the tenancy or commencement of the
7 relationship, if for less than such periods, shall be entitled to be named as a tenant on the renewal
8 lease.

9 (2) A tenant shall be considered to have permanently vacated the subject housing accommodation
10 when the tenant has permanently ceased residing in the housing accommodation. The continued
11 payment of rent by the tenant or the signing of renewal leases shall not preclude a claim by a family
12 member as defined in section 2520.6(o) of this Title in seeking tenancy.

13 (3) The minimum periods of required residency set forth in this subdivision shall not be deemed
14 to be interrupted by any period during which the "family member" temporarily relocates because
15 he or she:

16 (i) is engaged in active military duty;

17 (ii) is enrolled as a full-time student;

18 (iii) is not in residence at the housing accommodation pursuant to a court order not
19 involving any term or provision of the lease, and not involving any grounds specified in
20 the Real Property Actions and Proceedings Law;

21 (iv) is engaged in employment requiring temporary relocation from the housing
22 accommodation;

1 (v) is hospitalized for medical treatment; or

2 (vi) has such other reasonable grounds that shall be determined by the DHCR upon
3 application by such person.

4 ~~[(3)]~~(4) The 60-day period from the date of service of the Notice for Renewal of Lease for
5 acceptance and renewal provided to the tenant in subdivision (a) of this section, shall also apply to
6 the tenant's "family member."

7 ~~[(4)]~~(5) For the purposes of this subdivision (b), "disabled person" is defined as a person who has
8 an impairment which results from anatomical, physiological or psychological conditions, other
9 than addiction to alcohol, gambling, or any controlled substance, which are demonstrable by
10 medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be
11 permanent and which substantially limit one or more of such person's major life activities.

12 **43. 9 NYCRR § 2523.5(f) is repealed.**

13
14 **44. 9 NYCRR § 2523.7(b) is repealed and replaced with a new subdivision (b) as follows:**

15 (b) Except where a specific provision of this Code requires the maintenance of rent records for a longer period,
16 or provides otherwise, including records of the useful life of improvements made to any housing
17 accommodation or any building, any owner who has duly registered a housing accommodation pursuant to
18 this Code shall not be required to maintain or produce any records relating to rentals of such accommodation
19 more than six years prior to the most recent registration or annual statement for such accommodation.
20 However, an owner's election not to maintain records shall not limit the authority of the division of housing

1 and community renewal and the courts to conduct a full examination of all available records in order to
2 determine legal regulated rents pursuant to this subdivision.

3 **45. Paragraph (2) of 9 NYCRR § 2523.7(c) is amended as follows:**

4 (2) Court-appointed receivers. A receiver who is appointed by a court of competent jurisdiction to receive
5 rent for the use or occupation of a housing accommodation shall not, in the absence of collusion or any
6 relationship between such receiver and any owner or other receiver, be required to provide records for the
7 period prior to such appointment, except where records sufficient to establish the legal regulated rent are
8 available to such receiver. This subdivision shall not be construed to waive the purchaser's or receiver's
9 obligation to register pursuant to Part 2528 of this Title.

10 **46. 9 NYCRR § 2523.8 is amended as follows:**

11 §2523.8 Notice of change of ownership or address

12 (a) Within 30 days after a change in ownership, the new owner shall notify the DHCR of such change on
13 a form prescribed by the DHCR. Such form shall be signed by the new owner, listing the address of the
14 building or complex, the name, address and telephone number of the new owner, and the date of the
15 transfer of ownership. In addition to any other address, the owner shall provide an actual, physical street
16 address from which it conducts business and where the owner or an agent is authorized to accept service
17 of documents, subpoenas or requests.

18 (b) Within thirty (30) days after a change in the address of the managing agent, such managing agent, or,
19 if there is no managing agent, the owner of a building or group of buildings or development shall give
20 written notice to the DHCR and to all tenants of the new address.

1 (c) In the absence of such form, DHCR may serve all notices on the last registered owner or in any
2 proceeding where the owner has appeared, at such address given in the proceeding.

3
4 **47.9 NYCRR § 2524.2(e) is amended as follows:**

5 (e) All notices served pursuant to an application for demolition as set forth in section 2524.5 (a)(2) of this
6 Part shall state:

7 (1) that the owner will not renew the tenant's lease because the owner has filed an application pursuant to
8 section 2524.5(a)(2) for permission to recover possession of all of the housing accommodations in the
9 building for the purpose of demolishing them, for which plans and financing have been obtained[, or are
10 in the process of being obtained,] as stated in the application;

11 (2) that while the application is pending, the tenant may remain in occupancy;

12 (3) that the tenant shall not be required to vacate until DHCR has issued a final order approving the
13 application and setting forth the time for vacating, stipends and other relocation conditions; and

14 (4) that the tenant must be offered a prospective renewal lease if the application is withdrawn or denied.

15 **48.9 NYCRR § 2524.4(a) is amended as follows:**

16 (a) Occupancy by owner or member of owner's immediate family.

17 (1) An owner who seeks to recover possession of a housing accommodation because of immediate and
18 compelling necessity for such owner's personal use and occupancy as his or her primary residence in the
19 City of New York and/or for the use and occupancy of a member of his or her immediate family as his or
20 her primary residence in the City of New York, except that tenants in a noneviction conversion plan

1 pursuant to section 352-eeee of the General Business Law may not be evicted on this ground on or after
2 the date the conversion plan is declared effective.

3 (2) The provisions of this subdivision shall not apply where a tenant or the spouse of a tenant lawfully
4 occupying the [housing accommodation is a senior citizen or disabled person,] dwelling unit is sixty-two
5 years of age or older, or has been a tenant in a dwelling unit in that building for fifteen years or more, or
6 has an impairment which results from anatomical, physiological or psychological conditions, other than
7 addiction to alcohol, gambling, or any controlled substance, which are demonstrable by medically
8 acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and
9 which prevent the tenant from engaging in any substantial gainful employment, [as previously defined
10 herein,] unless the owner offers to provide and, if requested, provides an equivalent or superior housing
11 accommodation at the same or lower regulated rent in a closely proximate area.

12 (3) An owner may recover only one rent stabilized or rent controlled housing accommodation, whether
13 for his or her personal use and occupancy or that of his immediate family. The provisions of this
14 subdivision shall only permit one of the individual owners of any building, whether such ownership is by
15 joint tenancy, tenancy in common, or tenancy by the entirety to recover possession of one [or more]
16 dwelling unit[s] for personal use and occupancy.

17 (4) No action or proceeding to recover possession pursuant to this subdivision shall be commenced in a
18 court of competent jurisdiction unless the owner shall have served the tenant with a termination notice in
19 accordance with subdivisions (a), (b) and (c)(3) of section 2524.2 of this Part.

20 (5) The failure of the owner to utilize the housing accommodation for the purpose intended after the tenant
21 vacates, or to continue in occupancy for a period of three years, may result in a forfeiture of the right to
22 any increases in the legal regulated rent in the building in which such housing accommodation is contained

1 for a period of three years, unless the owner offers and the tenant accepts re-occupancy of such housing
2 accommodation on the same terms and conditions as existed at the time the tenant vacated, or the owner
3 establishes to the satisfaction of the DHCR that circumstances changed after the tenant vacated which
4 prevented the owner from utilizing the housing accommodation for the purpose intended, and in such
5 event, the housing accommodation may be rented at the appropriate guidelines without a vacancy
6 allowance. This paragraph shall not eliminate or create any claim that the former tenant of the housing
7 accommodation may or may not have against the owner.

8 **49. Paragraphs (2) and (3) of 9 NYCRR § 2524.4(b) are amended as follows:**

9 (2) In addition to such penalty provided in section 2526.2 of this Title, the failure of the owner without good
10 cause to utilize or to continue to use the housing accommodation for the purpose intended after the tenant
11 vacates, and for [four] three years thereafter, shall result in a forfeiture of the right to any increases in the legal
12 regulated rent for the housing accommodation involved for a [four] three-year period following the recovery
13 of the housing accommodation from the tenant.

14 (3) If an owner who recovers a housing accommodation pursuant to this subdivision, or any successor in
15 interest, within [four] three-years after recovery of the housing accommodation from the tenant, utilizes such
16 housing accommodation for purposes other than those permitted hereunder without good cause, then such
17 owner or successor shall be liable to the removed tenant for three times the damages sustained on account of
18 such removal, plus reasonable attorney's fees and costs as determined by a court of competent jurisdiction,
19 provided that such tenant commences an action to recover such damages within three years from the date of
20 recovery of the housing accommodation. The damages sustained by such tenant shall be the difference
21 between the rent paid by such tenant for the recovered housing accommodation, and the rental value of a
22 comparable rent-regulated housing accommodation, plus the reasonable costs of the removal of the tenant's
23 property.

1 **50. 9 NYCRR § 2524.4(c) is amended as follows:**

2 (c) Primary residence.

3 The housing accommodation is not occupied by the tenant, not including subtenants or occupants, as his
4 or her primary residence, as determined by a court of competent jurisdiction; provided, however, that no
5 action or proceeding shall be commenced seeking to recover possession on the ground that the housing
6 accommodation is not occupied by the tenant as his or her primary residence unless the owner or lessor
7 shall have given 30 days' notice to the tenant of his or her intention to commence such action or proceeding
8 on such grounds. Such notice may be combined with the notice required by section 2524.2(c)(2) of this
9 Title. A tenant who is a victim of domestic violence, as defined in section four hundred fifty-nine-a of
10 the social services law, who has left the unit because of such violence, and who asserts an intent to return
11 to the housing accommodation shall be deemed to be occupying the unit as his or her primary residence.
12 In addition, a tenant who has left the housing accommodation and is paying a nominal rent pursuant to
13 Part 2520.11(e)(6) of this Title shall be deemed to be occupying the unit as his or her primary residence.
14 For the purposes of this paragraph, where a housing accommodation is rented to a not-for-profit for
15 providing, as of and after the effective date of the chapter of the laws of two thousand nineteen that
16 amended this paragraph, permanent housing to individuals who are or were homeless or at risk of
17 homelessness, affiliated individuals authorized to use such accommodations by such not-for profit shall
18 be deemed to be tenants.

19
20 **51. Paragraph (2) of 9 NYCRR § 2524.5(a) is amended as follows:**

21 (2) Demolition.

1 (i)The owner seeks in good faith to demolish the building. [Until] As part of the application, the owner
2 [has] shall submit[ted] proof of [it's] its financial ability to complete such undertaking to the DHCR, and
3 that the plans for the undertaking have been approved by the appropriate city agency. [, an order approving
4 such application shall not be issued.] Demolition shall mean the removal of the entire building including
5 the foundation.

6 (ii) Terms and conditions upon which orders issued pursuant to this paragraph authorizing refusal to offer
7 renewal leases may be based:

8 (a)The DHCR shall require an owner to pay all reasonable moving expenses and a stipend pursuant to
9 subclause (3) of clause (b) of this subparagraph. It shall afford the tenant a reasonable period of time
10 within which to vacate the housing accommodation. If the tenant vacates the housing accommodation on
11 or before the date provided in the DHCR's final order, such tenant shall be entitled to receive moving
12 expenses and all stipend benefits pursuant to clause (b) of this subparagraph. In addition, if the tenant
13 vacates the housing accommodation prior to the required vacate date, the owner may also pay a stipend to
14 the tenant that is larger than the stipend designated in [a demolition stipend chart to be issued pursuant to
15 an operational bulletin authorized by section 2527.11 of this Title.] subclause (3) of clause (b) of this
16 subparagraph. However, at no time shall an owner be required to pay a stipend in excess of [the stipend
17 set forth in such schedule] this amount. If the tenant does not vacate the housing accommodation on or
18 before the required vacate date, the stipend shall be reduced by one sixth of the total stipend for each
19 month the tenant remains in occupancy after such vacate date except if the eviction is stayed by the
20 commencement of judicial review of DHCR's order including any appeals.

21 (b) The order granting the owner's demolition application shall provide that the owner must either:

1 (1) relocate the tenant to a suitable housing accommodation, as defined in subparagraph (iii) of this
2 paragraph, at the same or lower legal regulated rent in a closely proximate area, or in a new residential
3 building if constructed on the site, in which case suitable interim housing shall be provided at no additional
4 cost to the tenant; plus in addition to reasonable moving expenses, payment of a \$ 5,000 stipend, provided
5 the tenant vacates on or before the vacate date required by the final order;

6 (2) where an owner provides relocation of the tenant to a suitable housing accommodation at a rent in
7 excess of that for the subject housing accommodation, in addition to the tenant's reasonable moving
8 expenses, the owner may be required to pay the tenant a stipend equal to the difference in rent, at the
9 commencement of the occupancy by the tenant of the new housing accommodation, between the subject
10 housing accommodation and the housing accommodation to which the tenant is relocated, multiplied by
11 72 months, provided the tenant vacates on or before the vacate date required by the final order; or

12 (3) in addition to the tenant's moving expenses, pay the tenant a stipend which shall be the difference
13 between the tenant's current rent and [an amount calculated using the demolition stipend chart, at a set
14 sum per room per month multiplied by the actual number of rooms in the tenant's current housing
15 accommodation, but no less than three rooms.] the average rent for vacant non-regulated apartments as
16 set forth in the New York City Housing and Vacancy Survey as of the date of the determination. This
17 difference is to be multiplied by 72 months. The stipend shall be increased each year by a guideline
18 beginning the first year after the vacancy survey is issued and continuing until a new vacancy survey is
19 issued.

20 (c) Wherever a stipend would result in the tenant losing a subsidy or other governmental benefit which is
21 income dependent, the tenant may elect to waive the stipend and have the owner at his or her own expense,
22 relocate the tenant to a suitable housing accommodation at the same or lower legal regulated rent in a
23 closely proximate area.

1 (d) In the event that the tenant dies prior to the issuance by the DHCR of a final order granting the owner's
2 application, the owner shall not be required to pay such stipend to the estate of the deceased tenant.

3 (e) Where the administrator's or commissioner's order [of the DHCR] granting the owner's application is
4 conditioned upon the owner's compliance with specified terms and conditions, if such terms and
5 conditions have not been complied with, or if DHCR determines that the owner has not proceeded in good
6 faith, the order may be modified or revoked.

7 (f) Noncompliance by an owner with any term or condition of the administrator's or commissioner's order
8 granting the owner's application [shall be brought to the attention of the DHCR's compliance unit for
9 appropriate action] may result in DHCR initiating its own enforcement proceeding. The DHCR shall retain
10 jurisdiction for this purpose until all [moving expenses, stipends, and relocation requirements have been
11 met.] of the terms and conditions in the administrator's or commissioner's order granting the owner's
12 application have been met and the project described in the owner's application has been completed.
13 Subsequent owners shall be bound by the terms and conditions of DHCR's order. This clause shall not be
14 deemed to eliminate any remedy or claim that a tenant of the dwelling unit may otherwise have against
15 the owner nor eliminate any independent authority that DHCR may be able to exercise by law or
16 regulation.

17 (g) An owner's failure to comply within a reasonable amount of time with any term or condition of the
18 administrator's or commissioner's order granting the owner's application or an owner's failure to
19 complete the project described in the owner's application may be found to be a violation of the RSL and
20 the RSC and subject to any of the penalties and remedies described therein including but not limited to
21 revocation of the administrator's or commissioner's order granting the owner's application and DHCR's
22 continued jurisdiction under the RSL over the building or any subsequent construction. Any remedies
23 and penalties prescribed by this Code shall apply to and be binding against subsequent owners.

1 (iii) Comparable housing accommodations and relocation. In the event a comparable housing
2 accommodation is offered by the owner, a tenant may file an objection with the DHCR challenging the
3 suitability of a housing accommodation offered by the owner for relocation within 10 days after the owner
4 identifies the housing accommodation and makes it available for the tenant to inspect and consider the
5 suitability thereof. Within 30 days thereafter, the DHCR shall inspect the housing accommodation, on
6 notice to both parties, in order to determine whether the offered housing accommodation is suitable. Such
7 determination will be made by the DHCR as promptly as practicable thereafter. In the event that the DHCR
8 determines that the housing accommodation is not suitable, the tenant shall be offered another housing
9 accommodation, and shall have 10 days after it is made available by the owner for the tenant's inspection
10 to consider its suitability. In the event that the DHCR determines that the housing accommodation is
11 suitable, the tenant shall have 15 days thereafter within which to accept the housing accommodation. A
12 tenant who refuses to accept relocation to any housing accommodation determined by the DHCR to be
13 suitable shall lose the right to relocation by the owner, and to receive payment of moving expenses or any
14 stipend. "Suitable housing accommodations" shall mean housing accommodations which are similar in
15 size and features to the respective housing accommodations now occupied by the tenants. Such housing
16 accommodations shall be freshly painted before the tenant takes occupancy, and shall be provided with
17 substantially the same required services and equipment the tenants received in their prior housing
18 accommodations. The building containing such housing accommodations shall be free from violations of
19 law recorded by the City agency having jurisdiction, which constitute fire hazards or conditions dangerous
20 or detrimental to life or health, or which affect the maintenance of required services. The DHCR will
21 consider housing accommodations proposed for relocation which are not presently subject to rent
22 regulation, provided the owner submits a contractual agreement that places the tenant in a substantially

1 similar housing accommodation at no additional rent for a period of six years, unless the tenant requests
2 a shorter lease period in writing.

3 **52.9 NYCRR § 2524.5(b) is amended as follows:**

4 (b) Election not to renew. Once an application is filed under this section, with notification to all affected
5 tenants, the owner may refuse to renew all tenants' leases until a determination of the owner's application is
6 made by the DHCR. For the purposes of paragraph (2) of subdivision (a) of this section, service of the
7 application at any time shall be considered sufficient compliance with section 2524.2(c)(3) of this Part
8 provided that no order may be issued less than 90 days from the date the last affected tenant's lease has
9 expired. If such application is denied, or withdrawn, prospective renewal leases must be offered to all affected
10 tenants within such time and at such guideline[s] rates as directed in the DHCR order of denial or withdrawal.

11 **53.9 NYCRR § 2525.2(b) is amended as follows:**

12 (b)

13 (1) Upon the receipt of rent in the form of cash or any instrument other than the personal check of the
14 tenant, it shall be the duty of the owner to provide the tenant with a written receipt containing the
15 following:

16 (i) the date;

17 (ii) the amount;

18 (iii) the identity of the premises and period for which paid; and

19 (iv) the signature and title of the person receiving the rent.

20 (2) [Where a] A tenant[,], may request in writing [, requests] that an owner provide a receipt for rent paid
21 by personal check[,]. If such request is made [it shall be the duty of], the owner shall [to] provide the

1 tenant with the receipt described in paragraph (1) of this subdivision [for each such request made in
2 writing].

3 (3) The receipt provided pursuant to this subdivision shall state the name and New York City address of
4 the managing agent or designee thereof, as required by section 27-2105 of the Administrative Code of the
5 City of New York. A failure to comply with the provisions of this subdivision shall constitute an
6 evasatory practice.

7 (4) Such request shall, unless otherwise specified by the tenant, remain in effect for the duration of such
8 tenant's tenancy. The owner shall maintain a record of all cash receipts for rent for at least three years
9 unless a longer period is required by other provisions of this Code.

10 (5) If a payment of rent is personally transmitted to an owner, the receipts for such payment shall be
11 issued immediately to a tenant. If a payment of rent is transmitted indirectly to an owner, a tenant shall
12 be provided with a receipt within fifteen days of such rent payment.

13 (6) If an owner or an agent of an owner authorized to receive rent fails to receive payment for rent within
14 five days of the date specified in a lease agreement, such owner shall send the tenant, by certified mail, a
15 written notice stating the failure to receive such rent payment. The failure of an owner or an agent of the
16 owner authorized to receive rent to provide a tenant with a written notice of the non-payment of rent may
17 be used as an affirmative defense by such tenant in an eviction proceeding based on the non-payment of
18 rent.

19
20 **54.9 NYCRR § 2525.3(a) is amended as follows:**

1 (a) No owner or other person shall require a tenant or prospective tenant to purchase or lease, or agree to
2 purchase or lease, furniture or any other personal property, [including but not limited to shares to an apartment,
3 prior to the acceptance for filing by the Attorney General of a plan of cooperative conversion,] as a condition
4 of renting housing accommodations.

5 **55.9 NYCRR § 2525.5 is amended as follows:**

6 It shall be unlawful for any owner or any person acting on his or her behalf, directly or indirectly, to engage
7 in any course of conduct (including but not limited to interruption or discontinuance of required services, or
8 illegal discontinuance of a current tenant's preferential rent, or unwarranted or baseless court proceedings,
9 [of] or filing of false documents with or making false statements to DHCR) which interferes with, or disturbs,
10 or is intended to interfere with or disturb, the privacy, comfort, peace, repose or quiet enjoyment of the tenant
11 in his or her use or occupancy of the housing accommodation, or is intended to cause the tenant to vacate such
12 housing accommodation or waive or not exercise any right afforded under this Code including the right of
13 continued occupancy and regulation under the RSC and RSL.

14 **56.9 NYCRR § 2525.6(e) is amended as follows:**

15 (e)

16 (1) Upon the consent of the owner to a sublet, the legal regulated rent payable to the owner effective upon
17 the date of subletting may be temporarily increased [by] as provided for in section 2522.8 of this Title.
18 [the vacancy allowance, if any, provided in the rent guidelines board order in effect at the time of the
19 commencement date of the lease, provided the lease is a renewal lease.]

20 (2) Upon the consent of an owner to an assignment, regardless of whether or not the lease is a renewal
21 lease, the legal regulated rent payable to the owner effective upon the date of such assignment may be
22 increased by:

1 (i) the increase provided for in section 2522.8 of this Title[; and

2 (ii) which may be further increased by the vacancy allowance, if any, provided in the rent guidelines
3 board order in effect at the time of the commencement date of the lease. Such increases shall remain part
4 of the legal regulated rent for any subsequent renewal lease. However, in the case of a subletting, upon
5 termination of the sublease, the legal regulated rent shall revert to the legal regulated rent without the
6 sublet vacancy allowance].

7
8 **57.9 NYCRR § 2525.6(g) is repealed.**

9 **58.9 NYCRR § 2525.7 is amended as follows:**

10 §2525.7 Occupancy by persons other than an[t] tenant of record or tenant's immediate family

11 (a) Housing accommodations subject to the RSL and this Code may be occupied in accordance with the
12 provisions and subject to the limitations of section 235-f of the Real Property Law.

13 (b) The rental amount that a tenant may charge a person in occupancy pursuant to section 235-f of the
14 Real Property Law shall not exceed such occupant's proportionate share of the legal regulated rent charged
15 to and paid by the tenant for the subject housing accommodation. For the purposes of this subdivision, an
16 occupant's proportionate share shall be determined by dividing the legal regulated rent by the total number
17 of tenants named on the lease and the total number of occupants residing in the subject housing
18 accommodation. However, the total number of tenants named on the lease shall not include a tenant's
19 spouse, and the total number of occupants shall not include a tenant's family member or an occupant's
20 dependent child. Regardless of the number of occupants, tenants named on the lease shall remain
21 responsible for payment to the owner of the entire legal regulated rent. The charging of a rental amount to

1 an occupant that exceeds that occupant's proportionate share shall be deemed to constitute a violation of
2 this Code.

3
4 **59.9 NYCRR § 2526.1 is renamed to “Determination of legal regulated rents; penalties; fines;
5 assessment of costs; attorney's fees; rent credits; where the proceeding is commenced prior to June
6 14, 2019” and a new subdivision (i) is added to read as follows:**

7 (i) The procedures and rules set forth in this subdivision shall apply only to proceedings initiated prior
8 to June 14, 2019, except as set forth in Section 2526.7 of this Part.

9 **60.9 NYCRR § 2526.7 is added to read as follows:**

10 §2526.7 Determination of legal regulated rents; penalties; fines; assessment of costs; attorney’s fees; rent
11 credits; where the proceeding is commenced on or after June 14, 2019.

12 (a) Definitions.

13 (1) Base Date: For the purposes of this section, the Base Date shall be the date of the most recent
14 reliable annual rent registration statement, filed and served upon a tenant six or more years prior to the
15 filing of a complaint of overcharge or the initiation of a proceeding to determine the legal regulated rent
16 of an apartment. Any registration statement filed contemporaneously with a certification of service shall
17 be presumed to have been served upon the tenant in occupancy. In no event shall the base date be prior
18 to June 14, 2015.

19 Absent an exception set forth in section 2526.1 of this Part, if no base date can be determined
20 subsequent to June 14, 2015, the base date shall be June 14, 2015.

21 (2) Reliable rent registration statement: A rent registration shall be considered to be reliable if, prior to
22 the filing of such registration statement, and subsequent to June 14, 2015, the rent history contains no
23 unexplained increases in the rent.

1 (b) The DHCR shall consider all available reasonably necessary evidence when making a determination as to
2 the reliability of a rent registration statement, including but not limited to:

3 (1) any rent registration or other records filed with the state division of housing and community renewal,
4 or any other state, municipal or federal agency, regardless of the date to which the information on such
5 registration refers;

6 (2) any order issued by any state, municipal or federal agency;

7 (3) any records maintained by the owner or tenants; and

8 (4) any public record kept in the regular course of business by any state, municipal or federal agency.

9 (c) The DHCR shall set the legal regulated rent by adding any lawful rent increases and adjustments to the rent
10 on the base date.

11 (d) The DHCR shall examine the rent prior to the base date and subsequent to June 14, 2015 to make a
12 determination as to:

13 (1) whether the legality of a rental amount charged or registered is reliable in light of all available
14 evidence including, but not limited to, whether an unexplained increase in the registered or lease rents,
15 or a fraudulent scheme to destabilize the housing accommodation, rendered such rent or registration
16 unreliable.

17 (2) whether an accommodation is subject to the emergency tenant protection act or the rent stabilization
18 law;

19 (3) whether an order issued by the division of housing and community renewal or by a court, including,
20 but not limited to an order issued pursuant to section 2523.4(a) of this title, or any regulatory agreement
21 or other contract with any governmental agency, and remaining in effect within six years of the filing of
22 a complaint pursuant to this section, affects or limits the amount of rent that may be charged or
23 collected;

1 (4) whether an overcharge was or was not willful;

2 (5) whether a rent adjustment that requires information regarding the length of occupancy by a present
3 or prior tenant was lawful;

4 (6) the existence or terms and conditions of a preferential rent, or the propriety of a legal registered rent
5 during a period when the tenants were charged a preferential rent;

6 (7) the legality of a rent charged or registered immediately prior to the registration of a preferential rent;

7 or

8 (8) the amount of the legal regulated rent where the apartment was vacant or temporarily exempt on the
9 date six years prior to a tenant's complaint.

10 (e) The DHCR shall examine the rent prior to June 14 15, 2015, pursuant to 9 NYCRR § 2526.1.

11 (f) A tenant may file a complaint of overcharge at any time.

12 (g) An owner may, prior to the issuance of an order determining the existence of an overcharge, file late
13 registration statements. Provided that increases in the legal regulated rent were lawful except for the failure to
14 file a timely registration, the owner, upon the service and filing of a late registration, shall not be found to have
15 collected an overcharge at any time prior to the filing of the late registration.

16 (h)

17 (1) Any affected tenant shall be given notice of and an opportunity to commence a subsequent
18 proceeding or an opportunity to join in any proceeding commenced by the DHCR pursuant to this
19 section.

20 (2) Where a complainant pursuant to this subdivision vacates the housing accommodation, and the
21 DHCR continues the proceeding, the DHCR shall give any affected tenant notice of and an opportunity
22 to commence a subsequent proceeding or an opportunity to join in such proceeding.

23 (i) Damages

1 (1) Any owner who is found by the DHCR, after a reasonable opportunity to be heard, to have collected
2 any rent or other consideration in excess of the collectable rent shall be ordered to pay to the tenant a
3 penalty equal to three times the amount of such excess, except as provided under subdivision (f) of this
4 section. If the owner establishes by a preponderance of the evidence that the overcharge was not willful,
5 the DHCR shall establish the penalty as the amount of the overcharge plus interest, which interest shall
6 accrue from the date of the first overcharge on or after the base date, at the rate of interest payable on a
7 judgment pursuant to section 5004 of the Civil Practice Law and Rules, and the order shall direct such a
8 payment to be made to the tenant.

9 (2) Any recovery of overcharge penalties, including treble damages, where appropriate, shall be limited
10 to the six years preceding the complaint, provided, however, that there shall be no recovery of treble
11 damages for overcharges that occurred prior to June 15, 2017, and no recovery of damages for
12 overcharges that occurred prior to June 15, 2015. After a complaint of rent overcharge has been filed
13 and served on an owner, the voluntary adjustment of the rent and/or the voluntary tender of a refund of
14 rent overcharges shall not be considered by the division of housing and community renewal as evidence
15 that the overcharge was not willful.

16 (3) a penalty of three times the overcharge may not be based upon an overcharge having occurred-prior
17 to April 1, 1984.

18 (4)

19 (i)Complaints filed prior to April 1, 1984 shall be determined in accordance with the RSL and
20 Code provisions in effect on March 31, 1984, except that an overcharge collected on or after
21 April 1, 1984 may be subject to treble damages pursuant to this section.

22 (ii)Complaints filed on or after April 1, 1984 and prior to June 14, 2019 shall be determined
23 pursuant to 9 NYCRR § 2526.1.

1 (5) The DHCR shall determine the owner's liability between or among two or more tenants found to
2 have been overcharged during their particular occupancy of a housing accommodation, and at its
3 discretion, may require the owner to make diligent efforts to locate prior tenants who are not parties to
4 the proceeding, and to make refunds to such tenants or pay the amount of such penalty as a fine.

5 (6) An owner who is found to have overcharged by the DHCR shall be assessed and ordered to pay as an
6 additional penalty the reasonable costs and attorney's fees of the proceeding, and except where treble
7 damages are awarded, interest from the date of the overcharge occurring on or after April 1, 1984, at the
8 rate of interest payable on a judgment pursuant to section 5004 of the Civil Practice Law and Rules.

9 (7) A tenant may recover any overcharge penalty established by the DHCR by deducting it from the
10 rent due to the present owner at a rate not in excess of 20 percent of the amount of the penalty for any
11 one month's rent. If no such rent credit has been taken, the order of the DHCR awarding penalties may
12 be entered, filed and enforced by a tenant in the same manner as a judgment of the Supreme Court, on a
13 form prescribed by the DHCR, provided that the amount of the penalty exceeds \$1,000 or the tenant is
14 no longer in possession. Neither of these remedies are available until the expiration of the period in
15 which the owner may institute a proceeding pursuant to Part 2530 of this Title.

16 (8) Responsibility for overcharges.

17 (i). For overcharges collected prior to April 1, 1984, an owner will be held responsible only for his or
18 her portion of the overcharges, in the absence of collusion or any relationship between such owner and
19 any prior owners.

20 (ii).

21 (a) For overcharge complaints filed or overcharges collected on or after April 1, 1984, a current
22 owner shall be responsible for all overcharge penalties, including penalties based upon
23 overcharges collected by any prior owner. However, in the absence of collusion or any

1 relationship between such owner and any prior owner, where no records sufficient to establish
2 the legal regulated rent were provided at a judicial sale, or such other sale effected in connection
3 with, or to resolve, in whole or in part, a bankruptcy proceeding, mortgage foreclosure action or
4 other judicial proceeding, an owner who purchases upon or subsequent to such sale shall not be
5 liable for overcharges collected by any owner prior to such sale, and treble damages upon
6 overcharges that he or she collects which result from overcharges collected by any owner prior to
7 such sale. An owner who did not purchase at such sale, but who purchased subsequent to such
8 sale, shall also not be liable for overcharges collected by any prior owner subsequent to such sale
9 to the extent that such overcharges are the result of overcharges collected prior to such sale.

10 (b) Court-appointed receivers. A receiver who is appointed by a court of competent jurisdiction
11 to receive rent for the use or occupation of a housing accommodation shall not, in the absence of
12 collusion or any relationship between such receiver and any owner or other receiver, be liable for
13 overcharges collected by any owner or other receiver, and treble damages upon overcharges that
14 he or she collects which result from overcharges collected by any owner or other receiver, where
15 records sufficient to establish the legal regulated rent have not been made available to such
16 receiver. Penalties pursuant to this paragraph shall be subject to the time limitations set forth in
17 paragraph (a)(2) of this section.

18 (9) This subdivision shall not be construed to entitle a tenant to more than one refund for the same
19 overcharge.

20 (j) Where no rent history for the housing accommodation is available, the rent shall be determined in the
21 manner set forth in Section 2522.6 of this title.

22
23 **61.9 NYCRR § 2526.2(c) is amended as follows:**

1 (c) If the owner is found by the DHCR:

2 (1) to have violated an order of the DHCR, the DHCR may impose, by administrative order after
3 holding a hearing, a [penalty in the amount of \$ 1,000 for the first such offense and \$ 2,000 for
4 each subsequent offense]civil penalty at minimum in the amount of one thousand but not to exceed
5 two thousand dollars for the first such offense, and at a minimum in the amount of two thousand
6 but not to exceed three thousand dollars for each subsequent offense; or

7 (2) to have harassed a tenant to obtain a vacancy of a housing accommodation, the DHCR may
8 impose, by administrative order after holding a hearing, a civil penalty which shall be at a
9 minimum in the amount of two thousand but not to exceed three thousand dollars for the first such
10 offense, and at minimum in the amount of ten thousand but not to exceed eleven thousand dollars
11 for each subsequent offense or for a violation consisting of conduct directed at the tenants of more
12 than one housing accommodation] in the amount of \$ 2,000 for the first such offense and up to \$
13 10,000 for each subsequent offense or for a violation consisting of conduct directed at the tenants
14 of more than one housing accommodation]. Such order shall be deemed a final determination for
15 the purposes of judicial review pursuant to Part 2530 of this Title. Such penalty may, upon the
16 expiration of the period for seeking review pursuant to article 78 of the Civil Practice Law and
17 Rules, be docketed and enforced in the manner of a judgment of the Supreme Court; or

18 (3) not have utilized a housing accommodation for the purpose intended under section 2524.4(b)(2)
19 of this Title, the DHCR shall impose, by administrative order after hearing, a penalty in the amount
20 of up to \$ 1,000 for each such offense.

21 **62.9 NYCRR § 2527.2 is amended as follows:**

22 The DHCR may institute, reclassify, or convert a proceeding on its own initiative whenever the DHCR deems
23 it necessary or appropriate pursuant to the RSL or this Code.

1 **63.9 NYCRR § 2527.3(a)(2) is amended as follows:**

2 (2) Where an application is filed, pursuant to section 2522.4[(a)(2)](b) of this Title, to increase the legal
3 regulated rent, the DHCR shall notify all parties adversely affected thereby that such application has been
4 filed, and shall afford such parties the opportunity to submit written responses thereto. Tenants shall have
5 sixty (60) days from the date of the mailing of notice of the proceeding to answer or reply. The owner shall
6 maintain a copy of the application, with supporting documentation, on the premises so that tenants may
7 examine it, or in the alternative, a copy of the application, with supporting documentation, shall be made
8 available by the DHCR for tenant examination upon [prior] request. Tenants' written responses shall be
9 considered by the DHCR prior to a final determination of the application.

10 **64.9 NYCRR § 2527.4 is amended as follows:**

11 Except where otherwise provided for in this Code, [A]a person who has been served with a notice of a
12 proceeding accompanied by an application or complaint shall have no less than 20 days from the date of
13 mailing in which to answer or reply, except that in exceptional circumstances, the DHCR may require a shorter
14 period. Every answer or reply shall be verified or affirmed, and an original and one copy shall be filed with
15 the DHCR.

16 **65.9 NYCRR § 2527.5(j) and (k) are amended as follows:**

17 (j) [O]n its own initiative, or at the request of a court of competent jurisdiction, or for good cause shown
18 upon application of any affected party, expedite the processing of a matter; [or]

19 (k) sever issues within a proceeding for purposes of issuing an Order and Determination with respect to
20 certain issues while reserving other issues for subsequent determination[.];

1 **66. New subdivisions (l) and (m) are added to 9 NYCRR § 2527.5 as follows:**

2 (l) stay proceedings upon such terms as may be appropriate; or

3 (m) permit a tenant to withdraw a complaint.

4 **67. 9 NYCRR § 2527.7 is amended as follows:**

5 Except as otherwise provided herein or by the RSL, unless undue hardship or prejudice results therefrom, this
6 Code shall apply to any proceeding pending before the DHCR, which proceeding commenced on or after
7 April 1, 1984, or where a provision of this Code is amended, or an applicable statute is enacted or amended
8 during the pendency of a proceeding, the determination shall be made in accordance with the changed
9 provision.

10 **68. 9 NYCRR § 2527.9(a) is amended as follows:**

11 (a) Notices, orders, answers and other papers may be served personally, by mail, or electronically, as provided
12 in an operational bulletin issued pursuant to section 2527.11 of this Title. Except as otherwise provided by
13 section 2529.2 [or Part 2531] of this Title, when service, other than by the DHCR, is made personally or by
14 mail, a contemporaneous affidavit providing dispositive facts by the person making the service or mailing
15 shall constitute sufficient proof of service. When service is by registered or certified mail, the stamped post-
16 office receipt shall constitute sufficient proof of service. Once sufficient proof of service has been submitted
17 to the DHCR, the burden of proving nonreceipt shall be on the party denying receipt.

18 **69. A new subdivision (e) is added to 9 NYCRR § 2527.9 as follows:**

19 (e) DHCR may establish such other procedures for service and filing via electronic or online methods via
20 operational bulletin.

21 **70. A new paragraph (7) is added to 9 NYCRR § 2528.2(a) as follows:**

1 (7) an actual, physical street address from which it conducts business and where the owner or an agent is
2 authorized to accept service of documents, subpoenas or requests.

3 **71.9 NYCRR § 2528.4(a) is amended as follows:**

4 (a) The failure to properly and timely comply[, on or after the base date,] with the rent registration
5 requirements of this Part shall, until such time as such registration is completed, bar an owner from applying
6 for or collecting any rent in excess of: the base date rent, plus any lawful adjustments allowable prior to the
7 failure to register. Such a bar includes but is not limited to rent adjustments pursuant to section 2522.8 of this
8 Title. The late filing of a registration shall result in the elimination, prospectively, of such penalty, and for
9 proceedings commenced on or after July 1, 1991, provided that increases in the legal regulated rent were
10 lawful except for the failure to file a timely registration, an owner, upon the service and filing of a late
11 registration, shall not be found to have collected a rent in excess of the legal regulated rent at any time prior
12 to the filing of the late registration. [Nothing herein shall be construed to permit the examination of a rental
13 history for the period prior to four years before the commencement of a proceeding pursuant to sections 2522.3
14 and 2526.1 of this Title.]

15 **72.9 NYCRR § 2529.6 is amended as follows:**

16 Review pursuant to this Part shall be limited to facts or evidence before a rent administrator as raised in the
17 petition. Where the petitioner submits with the petition certain facts or evidence which he or she establishes
18 could not reasonably have been offered or included in the proceeding prior to the issuance of the order being
19 appealed, the proceeding may be remanded for redetermination to the rent administrator to consider such facts
20 or evidence. Proceedings remanded back to the DHCR following an Article 78 may be reconsidered, at the
21 discretion of the commissioner, without being remanded to the rent administrator.

22 **73.9 NYCRR § 2529.10 is amended as follows:**

1 Unless undue hardship or prejudice would result therefrom, this Code shall apply to any PAR proceeding
2 pending before the DHCR commenced on or after April 1, 1984[;]. [or w]Where a provision of this Code is
3 amended, or an applicable statute is enacted or amended during the pendency of a PAR, the determination
4 shall be in accordance with the [changed provision.] statute or Code as it existed at the time the rent
5 administrator's order was issued, unless the relevant law or regulation states otherwise.

6 **74.9 NYCRR § 2529.12 is amended as follows:**

7 The filing of a PAR against an order, other than an order adjusting, fixing or establishing the legal regulated
8 rent, shall stay such order until the final determination of the PAR by the commissioner. Notwithstanding the
9 above, that portion of an order fixing a penalty pursuant to section 2526.1(a) of this Title, that portion of an
10 order resulting in a retroactive rent abatement pursuant to section 2523.4 of this Title, that portion of an order
11 resulting in a retroactive rent decrease pursuant to section 2522.3 of this Title, and that portion of an order
12 resulting in a retroactive rent increase pursuant to section 2522.4[(a)(2), (3),] (b), [and] (c), and (d) of this
13 Title shall also be stayed by the timely filing of a PAR against such orders until the expiration of the period
14 for seeking review pursuant to article seventy-eight of the civil practice law and rules. However, an order
15 granting a rent adjustment pursuant to section 2522.4[(a)(2)](b) of this Title, against which there is no PAR
16 filed by a tenant that is pending, shall not be stayed. Nothing herein contained shall limit the commissioner
17 from granting or vacating a stay under appropriate circumstances, on such terms and conditions as the
18 commissioner may deem appropriate.

19 **75.9 NYCRR § 2531.1 is repealed.**

20 **76.9 NYCRR § 2531.2 is repealed.**

21 **77.9 NYCRR § 2531.3 is repealed.**

22 **78.9 NYCRR § 2531.4 is repealed.**

23 **79.9 NYCRR § 2531.5 is repealed.**

1 **80. 9 NYCRR § 2531.6 is repealed.**

2 **81. 9 NYCRR § 2531.7 is repealed.**

3 **82. 9 NYCRR § 2531.8 is repealed.**

4 **83. 9 NYCRR § 2531.9 is repealed and replaced with the following:**

5 §2531.9 Jurisdictional authority

6 (a) Effective June 14, 2019, high rent high income deregulation pursuant to Rent Stabilization Law
7 sections 26-504.1 and 26-504.3, otherwise repealed by Chapters 36 and 39 of the Laws of 2019, is no
8 longer applicable. Any apartment that was lawfully deregulated pursuant to Rent Stabilization Law
9 sections 26-504.1 and 26-504.3 shall remain deregulated, notwithstanding that such sections were repealed
10 pursuant to Chapters 36 and 39 of the Laws of 2019. For the purposes of this subdivision, lawful
11 deregulation shall be defined as the issuance of an order by the DHCR pursuant to Rent Stabilization Law
12 sections 26-504.1 and 26-504.3, which were repealed by Chapters 36 and 39 of the Laws of 2019 and the
13 expiration of the lease in effect upon issuance of such order expiring prior to June 14, 2019.

14 (b) Effective June 14, 2019, no further high rent high income deregulation proceedings pursuant to this
15 Title may be commenced, and all pending applications shall be dismissed as not subject to deregulation.
16 For the purposes of this subdivision, an application shall not be considered pending if the subject housing
17 accommodation was lawfully deregulated pursuant to such application prior to June 14, 2019, and such
18 lawful deregulation is subject to review as of June 14, 2019 in a Court of competent jurisdiction, before
19 the commissioner pursuant to a petition for administrative review, or before the rent administrator
20 subsequent to a remand for further consideration by the either the commissioner or a court.

21