

## EXPLANATORY STATEMENT - HOTEL ORDER #44

### Explanatory Statement and Findings of the Rent Guidelines Board In Relation to 2014-15 Lease Increase Allowances for Hotels Under the Jurisdiction of the Rent Stabilization Law

Explanatory Statement and Findings of the Rent Guidelines Board Concerning Increase Allowances for Hotel Units Under the Jurisdiction of the Rent Stabilization Law, Pursuant to Hotel Order Number 44, Effective October 1, 2014 through and including September 30, 2015.<sup>1</sup>

Pursuant to the authority vested in it by the Rent Stabilization Law of 1969 and the Emergency Tenant Protection Act of 1974, implemented by Resolution Number 276 of 1974 of the New York City Council, and extended by Chapter 97 of the Laws of 2011, it is the responsibility of the Rent Guidelines Board to establish guidelines for hotel increases. Hotel Order Number 44, adopted on June 23, 2014, applies to stabilized hotel units occupied by non-transient tenants.

Hotel Order Number 44 provides for an allowable increase of 0% over the lawful rent actually charged and paid on September 30, 2014 for rooming houses, lodging houses, Class B hotels, single room occupancy buildings, and Class A residential hotels. The Order does not limit rental levels for commercial space, non-rent stabilized residential units, or transient units in hotel stabilized buildings during the guideline period. The Order also provides that for any dwelling unit in a hotel stabilized building which is voluntarily vacated by the tenant thereof, the level of rent increase governing a new tenancy shall be the same as the guideline for rent increases set forth above.

#### SPECIAL NOTE

In the past the Board has adopted rent increases to the rent stabilized hotel universe. In recent years, when increases were granted, the Board adopted a proviso that was designed to deny owners from taking these increases under certain conditions. Since the Board voted a 0% increase for all classifications of rent stabilized hotels, this proviso is not included in Hotel Order 44. In event that increases are considered for subsequent Hotel Orders, at such time the current members of the Rent Guidelines Board urge future Boards to consider reinstating this proviso or some form thereof. Below is the proviso and explanatory language previously adopted in Hotel Order 41:

Rooming house, lodging house, Class B hotel, single room occupancy building, and Class A residential hotel owners shall not be entitled to any of the above rent adjustments, and shall receive a **0% percent adjustment** if permanent rent stabilized or rent controlled tenants paying no more than the legal regulated rent, at the time that any rent increase in this Order would otherwise be authorized, constitute fewer than **85%** of all units in a building that are used or occupied, or intended, arranged or designed to be used or occupied in whole or in part as the home, residence or sleeping place of one or more human beings.

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<sup>1</sup> This Explanatory Statement explains the actions taken by the Board on individual points and reflects the general views of those voting in the majority. It is not meant to summarize all viewpoints expressed.

The following outlines the Rent Guidelines Board's intent of the above proviso:

*The Board's intention for the meaning of this proviso is that ALL dwelling units in the hotel, whether occupied, vacant, rented to tourists, transients, contract clients, students or other non-permanent tenants, or to permanent rent stabilized tenants, be counted in the denominator of the calculation. The only type of units in the hotel that may be excluded from the denominator are units that are used as stores or for similar business purposes such as a doctor's office. The numerator of the calculation is the number of units occupied by permanent rent stabilized or rent controlled tenants.*

*Here are two examples. One: a hotel has 100 units and 2 stores. 32 units are rented to permanent rent stabilized tenants, 10 are vacant and 58 are rented to transients and tourists. The calculation is as follows, the denominator is 100 and the numerator is 32. This calculation results in an occupancy percentage of LESS than 85% under the formula (32%) and an increase CANNOT be taken for the permanent stabilized tenants.*

*Two: a hotel has 150 units, 2 of which are used by a dentist and a doctor for their businesses, 8 are rented to tourists, 5 are vacant and 135 are occupied by permanent rent stabilized tenants. The denominator would be 148 and the numerator would be 135. This calculation results in an occupancy percentage of GREATER than 85% under the formula (91%) and an increase CAN be taken for the permanent stabilized tenants.*

## **DEFINITIONS**

For the purpose of determining the appropriate classification of a hotel stabilized unit, the Board has set its definitions as follows:

- Residential hotels are "apartment hotels" which are designated as Class A multiple dwellings on the Certificate of Occupancy.
- Rooming houses are Class B multiple dwellings having fewer than thirty sleeping rooms as defined in Section 4(13) of the multiple dwelling law.
- A single room occupancy building is a Class A multiple dwelling which is either used in whole or in part for single room occupancy or as a furnished room house, pursuant to Section 248 of the multiple dwelling law.
- A Class B hotel is a hotel, which carries a Class B Certificate of Occupancy and contains units subject to rent stabilization.
- Lodging houses are those buildings designated as lodging houses on the Certificate of Occupancy.

## **BACKGROUND**

Public meetings of the Board were held on March 27, April 10 and 24, and May 1 and 29, 2014 following public notices. On May 5, the Board adopted proposed rent guidelines for hotels, apartments, and lofts.

Four public hearings were held on June 12, June 16, June 18, and June 19, 2014 to hear comments on the proposed rent adjustments for rent stabilized hotels and apartments. The hearings were held from 5:00 p.m. to 10:15 p.m. on June 12, 2:00 p.m. to 8:45 p.m. on June 16, 5:00 p.m. to 10:30 p.m. on June 18, and from 5 p.m. to 8:00 p.m. on June 19. The Board heard testimony from approximately 11 hotel tenants and tenant representatives, two hotel owners, and two public officials. In addition, the Board's office received approximately nine written statements from eight tenants and tenant representatives and one public official. On June 23, 2014, the guidelines set forth in Hotel Order Number 44 were adopted.

### **Selected Oral and Written Testimony from Tenants and Tenant Groups:**

- “SROs are the housing of last resort for poor New Yorkers. They are the safety net at the bottom of the market that keeps thousands of people off the street and out of shelters. Unfortunately, this safety net is steadily fraying. Over 50,000 people go to bed each night without a home or shelter of their own, a figure topping even 2013's historically high level. SRO tenants are amongst New York City's poorest residents, and a rent increases for SROs would likely push more of these tenants out of their homes and into the shelter system.”
- “Over the last several decades, tens of thousands of SRO units have been converted to other uses. Rents for the remaining units have increased dramatically while the cheapest units – those renting for less than the public assistance shelter allowance – have all but disappeared. The City has been left scrambling to find shelter for the 53,000 New Yorkers who do not have a place to stay each night.”
- “As I appear before you in 2014, the conditions that warranted the 0% votes for SROs and hotels in 2012 and 2013 remain essentially unchanged: SRO tenants of limited means continue to struggle while buildings designated for residential use by rent-stabilized tenants are increasingly used for other, more profitable purposes by building owners. We hope that our testimony today will compel the Board to vote for a 0% rent increase for tenants of SROs and hotels again this year.”
- “SROs are housing of last resort for low-income people who would otherwise be homeless. This includes many employed people as well as a disproportionate number of elderly and disabled people. Our tenants routinely report incomes as low as \$10,000 per year. With vacancy rates in apartments costing below \$800 at just 1.1% and homelessness already at a nightly average of 49,408 persons as of 2013 – a 14.1% increase over the previous year – the City cannot afford to increase rents on what is one of the last sources of truly affordable housing for low-income New Yorkers.”
- “Websites like Airbnb serve as a platform for these illegal hotels, advertising SRO rooms as hostels for affordable prices, landlords stand to make double or even triple the regulated rent of an SRO that's been converted into illegal hotel rooms....All we ask is that you can't allow landlords to continue to get richer while we strive for the prosperity of our tenants.”
- “SRO tenants live in substandard housing, often lacking private bathrooms and adequate cooking facilities. They are subjected to disruption of services caused by renovation of vacant SRO units, which will be converted to free market rentals. They should not pay a rent increase for such shabby treatment. No tenant should. Landlords claim they need rent increases to maintain their buildings. But over the years, even with substantial increases, the

quality of maintenance has declined, with repairs shoddy to non-existent. Every increase brings rents closer to deregulation, enabling landlords to covert units to free market rentals....Take these factors into consideration and vote: NO to increases for SRO tenants; NO to increases for all other categories of tenants. Just VOTE NO.”

### **Selected Oral and Written Testimony from Owners and Owner Groups:**

- “As an SRO, we haven’t received increases in quite some time. In hearing some of the other individuals talking about the SROS and the rents that they quote, in our case our range of rents are anywhere between \$600-\$700 a month. This includes all the operating expenses, like any other landlord, in addition to that 100% of the electricity, 100% of the cooking gas, and the furnishings for each one of the rooms and each one of the apartments. ”
- “We need some type of increase. We need some type of fair adjustment in order to be able to continue for another 20-something years offering the services that have been very much needed during the years that we have served the community.”
- “In order for us to continue providing the housing, in order to be able to afford the work that needs to be done on these buildings that had moderate rehab 20, 23 years ago, we can’t continue surviving with the low rents that we currently have.”
- “SRO building owners deserve a rent increase....Over the last ten years, our building’s expenses have gone through the roof. Our property’s real estate taxes have increased 39%. There have been only three rent guidelines increases for SROs over those ten years. Getting a zero increase does not help maintain the building and does not help us maintain a quality building, as we do. Everything has been going up, real estate taxes, water/sewer, insurance, fuel and utility costs, and unfortunately there has been no 0% increases for those costs....What we ask for, on behalf of SRO building owners, is a modest increase, not 0%, to maintain our properties in good condition, and to provide affordable housing for our low-income tenants. ”

### **Selected Oral and Written Testimony from Public Officials:**

- “I am grateful to the Board for its recognition that our shrinking pool of SRO units, housing among the most fragile populations, cannot bear further rent increases. Thank you for approving a rent freeze for those units.”
- “The rent stabilization law requires that the RGB to consider cost of living increases for tenants, not merely owner cost increases, a mandate that has been disregarded for far too long. If the Board based its decision on these standards, and I strongly urge it to do so, it will impose a freeze on rents for all rent regulated apartments, as well as lofts, hotels, rooming houses, single room occupancy buildings, and lodging houses.”

## **MATERIAL CONSIDERED BY THE BOARD**

In addition to oral and written testimony presented at its public hearing, the Board's decision is based upon material gathered from the *2014 Price Index of Operating Costs*, prepared by the staff of the Rent Guidelines Board, reports and testimony submitted by owner and tenant groups relating to the hotel sector, and reports submitted by public agencies. The Board heard and received written testimony from invited guest speakers on May 1, 2014. Guest speakers representing hotel tenants included Clint Guthrie, from the Goddard-Riverside SRO Law Project, Brian Sullivan from the SRO Law Project at MFY Legal Services, and Larry Wood from the Goddard Riverside Community Center. There were no guest speakers representing hotel landlords at this meeting.

## **FINDINGS OF THE RENT GUIDELINES BOARD**

### **Rent Guidelines Board Research**

The Rent Guidelines Board based its determination on its consideration of the oral and written testimony noted above, as well as upon its consideration of statistical information prepared by the RGB staff set forth in these findings and the following reports:

1. *2014 Mortgage Survey Report*, March 2014 (An evaluation of recent underwriting practices, financial availability and terms, and lending criteria);
2. *2014 Income and Affordability Study*, April 2014 (Includes employment trends, housing court actions, changes in eligibility requirements and public benefit levels in New York City);
3. *2014 Price Index of Operating Costs*, April 2014 (Measures the price change for a market basket of goods and services which are used in the operation and maintenance of stabilized hotels);
4. *2014 Housing Supply Report*, May 2014 (Includes information on the conversion of Hotels to luxury apartments and transient use, new housing construction measured by certificates of occupancy in new buildings and units authorized by new building permits, tax abatement and exemption programs, and cooperative and condominium conversion and construction activities in New York City); and,
5. *Changes to the Rent Stabilized Housing Stock in NYC in 2013*, May 2014 (A report quantifying all the events that lead to additions to and subtractions from the rent stabilized housing stock).

The five reports listed above may be found in their entirety on the RGB's website, [www.nycrgb.org](http://www.nycrgb.org), and are also available at the RGB offices, 51 Chambers St., Suite 202, New York, NY upon request.

### **Price Index of Operating Costs for Rent Stabilized Hotel Units**

The Hotel Price Index includes separate indices for each of three categories of rent stabilized hotels (due to their dissimilar operating cost profiles) and a general index for all stabilized

Hotels. The three categories of hotels are: 1) “traditional” hotels — a multiple dwelling which has amenities such as a front desk, maid or linen services; 2) Rooming Houses — a multiple dwelling other than a hotel with thirty or fewer sleeping rooms; and 3) single room occupancy hotels (SROs) — a multiple dwelling in which one or two persons reside separately and independently of other occupants in a single room.

The Price Index for all stabilized Hotels rose 6.4% this year, a lower increase than the 7.4% rise in 2013. The Price Index for Hotels was 0.7 percentage points higher than the increase in costs measured in the Apartment Price Index. Disparities between the Hotel Index and the Apartment Index were seen in the Utilities and Tax components. The increase in Utilities for all types of Hotels was 13.0%, versus the 8.4% rise for apartment buildings. Furthermore Taxes for Hotels increased at a higher pace (6.4%) than the increase for apartments (5.0%).

As mentioned above, Utilities rose by the greatest proportion in 2013, followed by Insurance Costs, which rose 9.3%, but account for only 3.7% of costs in Hotels. Fuel Oil costs, which make up 18% of the PIOC for hotels, also rose significantly, rising 7.8%. More moderate increases were seen in the remaining components. Labor increased 3.6%, Contactor Services by 3.3% and Administrative Costs rose 2.4%. Parts and Supplies and Replacement Costs, which carry very little weight in the Hotel Index, rose 1.5% and 2.8%, respectively. See the table on this page for changes in costs and prices for all rent stabilized hotels from 2013-2014.

Among the different categories of Hotels, the index for “traditional” hotels increased 6.8%, Rooming Houses by 6.1% and SROs by 6.3%.

**Percent Change in the Components of the Price Index of Operating Costs  
March 2013 to March 2014, By Hotel Type and All Hotels**

Spec #	Item Description	Hotel	RH	SRO	All Hotels
101	TAXES, FEES, & PERMITS	7.2%	7.3%	5.2%	6.4%
205-206, 208-216	LABOR COSTS	3.9%	2.8%	3.0%	3.6%
301-303	FUEL	7.8%	7.2%	8.5%	7.8%
401-407, 409-410	UTILITIES	14.3%	5.8%	13.6%	13.0%
501-509, 511-516, 518	CONTRACTOR SERVICES	3.1%	3.9%	3.5%	3.3%
601-608	ADMINISTRATIVE COSTS	2.4%	2.6%	2.5%	2.4%
701	INSURANCE COSTS	9.3%	9.3%	9.3%	9.3%
801-816	PARTS AND SUPPLIES	0.8%	2.6%	2.6%	1.5%
901-904, 907-911	REPLACEMENT COSTS	2.2%	4.0%	4.1%	2.8%
	<b>ALL ITEMS</b>	<b>6.8%</b>	<b>6.1%</b>	<b>6.3%</b>	<b>6.4%</b>

Source: 2014 Price Index of Operating Costs

**On April 29, 2014 the staff of the Rent Guidelines Board released a memo to Board members with information relating to the *Price Index of Operating Costs (PIOC)* presentation. Below is an excerpt from this memo:**

*QUESTION 3: HOW MANY UNITS OF “HOTEL” HOUSING ARE TRADITIONAL HOTELS, VERSUS SROS AND ROOMING HOUSES?*

The 2013 DHCR database provides information about owner registrations of buildings. However, the DHCR database only provides data for “Hotels” and “Rooming Houses.” Per the 2013 DCHR database, 61 buildings listed themselves as “Hotels.” Of these, 30 are also registered as “Rooming Houses.” Registered solely as “Rooming Houses” are 439 buildings.

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### **Changes in Housing Affordability**

Results from the 2011 Housing and Vacancy Survey were released in 2012, and showed that the vacancy rate for New York City is 3.12%. Approximately 45% of renter households in NYC are rent stabilized, with a vacancy rate of 2.63%. The survey also shows that the median household income in 2010 was \$37,000 for rent stabilized tenants, versus \$38,447 for all renters. The median gross rent for rent stabilized tenants was also lower than that of all renters, at \$1,160 versus \$1,204 for all renters. And rent stabilized tenants saw a median gross rent-to-income ratio of 34.9% in 2011, compared to 33.6% for all renters.<sup>2</sup>

Looking at New York City’s economy during 2013, it showed many strengths as compared with the preceding year. Positive indicators include growing employment levels, which rose for the fourth consecutive year, increasing 2.1% in 2013.<sup>3</sup> The unemployment rate also fell, declining by 0.6 percentage points, to 8.7%.<sup>4</sup> Gross City Product (GCP) also increased for the fourth consecutive year, rising in real terms by 2.7% in 2013.<sup>5</sup> In addition, inflation slowed slightly,<sup>6</sup> inflation-adjusted wages rose by 1.2% during the most recent 12-month period (the fourth quarter of 2012 through the third quarter of 2013),<sup>7</sup> and the number of non-payment filings in Housing Court fell by 1.1%, while “calendared” non-payment cases fell by 7.8%.<sup>8</sup>

Negative indicators include a 0.4% increase in evictions,<sup>9</sup> despite the number of non-payment filings in Housing Court declining. In addition, cash assistance levels increased for the fifth consecutive year, increasing by 0.6% between 2012 and 2013. The number of Supplemental Nutrition Assistance Program (SNAP) recipients rose by 1.4% in 2013, increasing for the

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<sup>2</sup> 2011 Housing and Vacancy Survey, US Census Bureau

<sup>3</sup> NYS Dept. of Labor; <http://www.labor.state.ny.us>; Data accessed March 2014. Data is revised annually and may not match data reported in prior years.

<sup>4</sup> NYS Dept. of Labor; <http://www.labor.state.ny.us>; Data accessed March 2014. Data is revised annually and may not match data reported in prior years.

<sup>5</sup> Data from the NYC Comptroller’s Office as of March, 2014. GCP figures are adjusted annually by the New York City Comptroller’s Office. The figures in this report are the latest available estimate from that office, based on inflation adjusted 2009 chained dollars.

<sup>6</sup> US Bureau of Labor Statistics; <http://www.bls.gov>; Data accessed February, 2014.

<sup>7</sup> NYS Dept. of Labor; <http://www.labor.state.ny.us>; Data accessed March 2014. Data is revised annually and may not match data reported in prior years.

<sup>8</sup> Civil Court of the City of New York data.

<sup>9</sup> NYC Department of Investigation, Bureau of Auditors data.

eleventh consecutive year.<sup>10</sup> Homelessness also rose over 2012 levels, increasing to an average of more than 49,000 persons a night, a 14.1% increase.<sup>11</sup>

The most recent numbers, from the fourth quarter of 2013 (as compared to the fourth quarter of 2012), show that homeless levels were up 8.7%, and non-payment filings in levels up 2.1%, unemployment down 0.8 percentage points, SNAP recipients down 1.5%, and cash assistance levels down 2.8%. Fourth quarter GCP also rose, by 2.6% in real terms, and inflation was lower than that of the last quarter of 2012, rising by 1.3%, as compared to 1.9%. And while non-payment filings rose, the number of calendared court cases fell 9.5%.

### Consumer Price Index

The Board reviewed the Consumer Price Index. The table that follows shows the percentage change for the NY-Northeastern NJ Metropolitan area since 2005.

Percentage Changes in the Consumer Price Index for the New York City - Northeastern New Jersey Metropolitan Area, 2006-2014 (For "All Urban Consumers")									
	2006	2007	2008	2009	2010	2011	2012	2013	2014
1st Quarter Avg. <sup>12</sup>	3.4%	2.9%	3.7%	1.3%	2.1%	2.0%	2.7%	2.1%	1.4%
Yearly Avg.	3.8%	2.8%	3.9%	0.4%	1.7%	2.8%	2.0%	1.7%	-

Source: U.S. Bureau of Labor Statistics.

<sup>10</sup> New York City Human Resources Administration. HRA Facts report: [http://www.nyc.gov/html/hra/html/facts/hra\\_facts.shtml](http://www.nyc.gov/html/hra/html/facts/hra_facts.shtml)

<sup>11</sup> Policy & Planning Office of the NYC Dept. of Homeless Services. Note that the NYC Department of Housing Preservation and Development, the NYC Department of Youth and Community Development, and the NYC Human Resources Administration also operate emergency shelters, which house approximately 5,000 persons per night.

<sup>12</sup> 1<sup>st</sup> Quarter Average refers to the change of the CPI average of the first three months of one year to the average of the first three months of the following year.

## Effective Rates of Interest

The Board took into account current mortgage interest rates and the availability of financing and refinancing. It reviewed the staff's *2014 Mortgage Survey Report* of lending institutions. The table below gives the reported rate and points for the past ten years as reported by the *Mortgage Survey*.

2014 Mortgage Survey <sup>13</sup>										
Average Interest Rates and Points for New and Refinanced Permanent Mortgage Loans 2005-2014										
New Financing of Permanent Mortgage Loans, Interest Rate and Points										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Avg. Rates	5.5%	6.3%	6.3%	5.8%	6.5%	6.3%	5.8%	4.6%	4.4%	4.9%
Avg. Points	0.56	0.44	0.61	0.47	0.62	0.79	0.61	0.63	0.59	0.54
Refinancing of Permanent Mortgage Loans, Interest Rate and Points										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2013
Avg. Rates	5.5%	6.3%	6.2%	5.8%	6.5%	6.3%	5.7%	4.7%	4.4%	4.9%
Avg. Points	0.56	0.44	0.61	0.44	0.62	0.83	0.61	0.63	0.40	0.50

Source: 2005–2014 *Annual Mortgage Surveys*, RGB.

## Hotel Conversion

Conversion of single room occupancy (SRO) buildings also continued over the past year. SRO owners may convert SRO housing to other uses after obtaining a “Certificate of No Harassment” (CONH) from HPD. After seven consecutive years of decline, approved CONH applications rose for the second consecutive year, up 4.9% from 123 CONH in 2012 to 129 in 2013.<sup>14</sup>

Efforts are also underway to ensure that SROs are used for permanent housing rather than as transient hotels. As of May 1, 2011, laws were newly passed strengthening the City’s ability to crack down on housing being used illegally for transient occupancy. Transient occupancy is now clearly defined as stays of less than 30 days, and between May of 2011 and April of 2012 1,820 violations (ranging from \$800 to \$2,000) were issued to illegal hotel operators (including private apartments, hostels, and SROs).<sup>15</sup> More than 3,000 violations have been issued since (including 844 between May 1, 2013 and April 30, 2014),<sup>16</sup> and in late 2012, the City Council strengthened this law even further, increasing fines to up to \$25,000 for repeat offenders.<sup>17</sup>

<sup>13</sup> Institutions were asked to provide information on their "typical" loan to rent stabilized buildings. Data for each variable in any particular year and from year to year may be based upon responses from a different number of institutions.

<sup>14</sup> NYC Department of Housing Preservation and Development.

<sup>15</sup> Dangerous Illegal Hotels in New York City After State Legislation Enhances Enforcement Abilities.” Mayor’s Office Press Release 157-12. April 27, 2012.

<sup>16</sup> Office of the Criminal Justice Coordinator, Mayor’s Office of Special Enforcement. Inclusive of data through April 30, 2014.

<sup>17</sup> “Illegal Hotel Fines Could Skyrocket,” The Real Deal. September 12, 2012.

In an effort to stop illegal hotel rentals, the NYS Attorney General (AG), at the end of May, 2014, announced a data sharing agreement with Airbnb, a company who facilitates short-term rentals in private residences. Airbnb will now provide the AG's office with anonymous information about their "host's" rental activities and if the AG can identify illegal activity within one year from receipt of the data, Airbnb will provide the identity of the hosts. The Airbnb website will also begin informing hosts of the Multiple Dwelling Law that prohibits rentals of less than 30 days unless the permanent occupant is present.<sup>18</sup> According to an affidavit filed by the AG's office in April, 64% of the 19,500 listings for January 31 were for entire apartments, a violation of City laws.<sup>19</sup>

## OTHER RELEVANT INFORMATION

The NYS Division of Housing and Community Renewal released a memo to the Board dated May 28, 2014 in which they outline information from their registration database relating to Hotels/SROs/Rooming Houses. The following is an excerpt from that memo (Page 4):

17. What is the total number of SRO/Hotel units registered with the DHCR in 2013? How many of these units are rent stabilized? How many are temporarily and permanently exempt? How many are registered as transient? How many as vacant?

<b>Rent Stabilized Units</b>	<b>12,092</b>
<b>Vacant Units</b>	<b>2,044</b>
<b>Temporary Exempts Units</b>	<b>3,300</b>
<b>*of these 2,735 are Transient Units</b>	
<b>Permanent Exempt Units</b>	<b>356</b>
<b>Total Number of Units</b>	<b>17,792</b>

18. What is the total number of SRO/Hotel units registered with the DHCR in each of the following years: 2009, 2010, 2011 and 2012?

- **In 2009 the total number of units registered was 22,250**
- **In 2010 the total number of units registered was 22,587**
- **In 2011 the total number of units registered was 22,254**
- **In 2012 the total number of units registered was 21,473**

19. What is the average and median rent for rent stabilized SRO/Hotel units in 2013?

- **The average rent stabilized rent in buildings due to SRO/Hotel is \$2,288; the median rent is \$1,220.**

<sup>18</sup> "Airbnb Will Hand Over Host Data to New York," NY Times, May 21, 2014.

<sup>19</sup> "Two-thirds of NYC's Airbnb rentals are illegal sublets," NY Post, April 21, 2014.

20. When a hotel tenant files an overcharge complaint, does DHCR look at the number of units rented to permanent tenants per the RGB Order and how does DHCR calculate the number of units rented to permanent stabilized tenants?

- **Yes, where applicable. This requirement is not in every RGB Hotel Order. The onus is on the owner to prove the status of the subject units. A “permanent tenant” is defined in Fact Sheet #42 (Hotels, SROs and Rooming Houses) as an individual or his or her family member residing with such individual, who: (1) has continuously resided in the same building as a principal residence for a period of at least six months; or (2) who requests a lease of six months or more, which the owner must provide within 15 days; or (3) who is in occupancy pursuant to a lease of six months or more even if actual occupancy is less than six months.**

**VOTE**

The vote of the Rent Guidelines Board on the adopted motion pertaining to the provisions of Order Number 44 was as follows:

	<u>Yes</u>	<u>No</u>	<u>Abstentions</u>
<b>Guidelines for Hotels</b>	<b>5</b>	<b>4</b>	<b>-</b>

Dated: June 24, 2014

Filed with the City Clerk: June 27, 2014

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Rachel D. Godsil  
Chair  
NYC Rent Guidelines Board

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