

THE CITY RECORD

THURSDAY, JULY 3, 1986

RENT GUIDELINES BOARD

ORDER NUMBER 18---Rent Levels for Leases Commencing
October 1, 1986 Through September 30, 1987.

PURSUANT TO THE AUTHORITY VESTED IN IT BY THE RENT STABILIZATION LAW OF 1969, and Chapter 576 of the Laws of 1974, as implemented by Resolution Number 276 of 1974 of the New York City Council, extended by Chapter 203 of the Laws of 1977, further extended by Chapter 383 of the Laws of 1981, Chapter 403 of the Laws of 1983, and by Chapter 248 of the Laws of 1985, the Rent Guidelines Board hereby establishes and adopts the following levels of fair rent increases over lawful rents charged and paid on September 30, 1986 (including the "stabilizer" and excluding the "April 1979 fuel adjustment," if any) for dwelling units subject to the Rent Stabilization Law of 1969, as amended, for leases commencing on or after October 1, 1986 and through September 30, 1987.

Adjustments for Renewal Leases

Together with such further adjustments as may be authorized by the Board, as explained below:

- For one year leases expiring before October 1, 1988:
6.0 per cent
- For two year leases expiring before October 1, 1989:
9.0 per cent

These adjustments shall also apply to dwelling units in a structure subject to the partial tax exemption program under Section 421 of the Real Property Tax Law, or in a structure subject to Section 423 of the Real Property Tax Law as a Redevelopment Project.

It is not expected that the Board will convene to discuss fuel costs in the coming year. The Board will discuss the fuel situation at its annual meetings in June as it affects leases signed pursuant to this Order. The Board may also consider any catastrophic change in the Operation and Maintenance Cost Index and order appropriate supplementary adjustments. The Board reserves the right to modify this Order during its term pursuant to this paragraph provided that any further adjustments described in this paragraph shall apply to existing leases only where the lease permits the rental reserved therein to be adjusted pursuant to subsequent determinations of the Rent Guidelines Board during the term of such lease.

Leases on Vacant Apartments

Where a dwelling unit becomes vacant, the levels of rent increase governing a new tenancy commencing on or after October 1, 1986 and on or before September 30, 1987 are the same levels over rentals charged on September 30, 1986 as those set forth above for lease renewals, plus seven and one-half percent (7.5%) over the rental charged on September 30, 1986, with the following exception:

- for those units in which there had previously been a new tenancy commencing on or after October 1, 1985 and on or before September 30, 1986, unless the allowable level of increase for that new tenancy pursuant to Order 17 of the Board was the same as for renewal leases, the levels of rent increase governing a new tenancy are the same levels over rentals charged on September 30, 1986 as those set forth above for renewal leases without any additional allowance for the vacancy.

Any level of rent increase pursuant to this provision relating to leases on vacant apartments may be applied no more than once for leases commencing October 1, 1986 through September 30, 1987.

Supplementary Adjustment of up to \$15 Per Month for Renewal and Vacancy Leases for Apartments Renting for Less than \$350 Per Month on September 30, 1986.

For a lease for a dwelling unit with a lawful rent of less than \$350 per month on September 30, 1986, the levels of rent increase for renewal and vacancy leases commencing October 1, 1986 through September 30, 1987 are the same as those set forth hereinabove plus \$15 per month, provided the monthly rent resulting from application of this level of increase or any portion thereof does not exceed the rent that would result from application of the allowable levels of rent increase for renewal and vacancy leases to an apartment renting for \$350 per month on September 30, 1986. This limitation is as follows:

For renewal leases of:

- one year \$371.00 per month.
- two years \$381.50 per month.

Where the 7.5% vacancy allowance applies, for vacancy leases of:

- one year \$397.25 per month.
- two years \$407.75 per month.

Where the 7.5% vacancy allowance does not apply, for vacancy leases of:

- one year \$371.00 per month.
- two years \$381.50 per month.

The Board also provided, that in the event that a tenant was charged with a supplementary adjustment of up to \$15 for rents below \$300 under Order 17, the tenant may not be charged the supplementary adjustment under Order 18.

Electrical Inclusion Adjustment

For a lease for a dwelling unit for which the owner supplies full electrical services for which there is no additional cost charged to the tenant in addition to rent, the applicable lease adjustments as established by this Order are to be the adjustments for renewal and vacancy leases heretofore stated.

Adjustments for Units in the Category of Buildings Covered By Article 7-C of The Multiple Dwelling Law

Pursuant to Chapter 349 of the Laws of 1982, Section 286 paragraph 7 of The Multiple Dwelling Law, The Rent Guidelines Board hereby establishes that the allowable levels of rent increase above the "base rent," as defined in Section 286 paragraph 4, for units where residential renewal leases are offered pursuant to Section 286, paragraph 3 of The Multiple Dwelling Law, and commence from October 1, 1986 through September 30, 1987, shall be the same as those set forth hereinabove for renewal leases.

Where a dwelling unit in this category of buildings becomes vacant the levels of rent increase governing a new tenancy commencing on or after October 1, 1986 and on or before September 30, 1987 are the same levels over the "base rent," as defined in Section 286, paragraph 4, as set forth hereinabove for renewal leases, unless pursuant to paragraph 6, Section 286 of The Multiple Dwelling Law the owner purchases improvements and thereby the unit is either exempted from the provisions of Article 7-C requiring rent regulation or may be rented at market value subject to subsequent rent regulation.

Fractional Terms

For the purpose of these guidelines any lease or tenancy for a period up to and including one year shall be deemed a one year lease or tenancy, and the same for a period over one year and up to and including two years shall be deemed a two year lease.

Escalator Clauses

Where a lease for a dwelling unit in effect on May 31, 1968 or where a lease in effect on June 30, 1974 for a dwelling unit which became subject to the Rent Stabilization Law of 1969, by virtue of Chapter 576 of the Laws of 1974 and Resolution Number 276 of the New York City Council, extended by Chapter 203 of the Laws of 1977, further extended by Chapter 383 of the Laws of 1981, by Chapter 403 of the Laws of 1983, and by Chapter 248 of the Laws of 1985, contained an escalator clause for the increased costs of operation and such clause is still in effect, the lawful rental on September 30, 1986, over which the fair rent under this Order is computed shall include the increased rental, if any, due under such clause except those charges which accrued within one year of the commencement of the renewal lease. Moreover, where a lease contained an escalator clause that the owner may validly renew under the Code, unless the owner elects or has elected in writing to delete such clause, effective no later than October 1, 1986 from the existing lease and all subsequent leases for such dwelling unit, the increased rental, if any, due under such escalator clause shall be offset against the amount of increase authorized under this Order.

Stabilizer

The one-half per cent "stabilizer" charged in leases pursuant to previous Orders of the Board shall remain in effect until the expiration of such leases and shall be included in the base rent for the purpose of computing subsequent rents or leases adjusted pursuant to this Order.

Special Guidelines to Update Special Guideline 6b

In order to aid the State Division of Housing and Community Renewal in determining fair market rents for housing accommodations as to applications for adjustments of the initial legal regulated rent as may be requested by tenants, the Rent Guidelines Board hereby establishes a special guideline as mandated by Section 9 of Chapter 576 of the Laws of 1974, as extended by Chapter 203 of the Laws of 1977, further extended by Chapter 383 of the Laws of 1981, and Chapter 403 of the Laws of 1983 amending Section YY51-6:0.2.b(1) of the New York City Administrative Code, and Chapter 248 of the Laws of 1985: for dwelling units subject to the Rent and Rehabilitation Law on September 30, 1986, which subsequently become vacant after September 30, 1986, 20% above the sum of the 1986-87 maximum base rent, as it existed or would have existed, plus the current allowable fuel cost adjustments as established on Rent Control forms, pursuant to Section 33.10 of the Rent Regulations, beginning in 1980.

Decontrolled Units

The permissible increase for decontrolled units as defined in Order 3a which become decontrolled after September 30, 1986, shall not exceed 20% above the sum of the 1986-87 maximum base rent, as it existed or would have existed, plus the current allowable fuel cost adjustments as established on Rent Control forms, pursuant to Section 33.10 of the Rent Regulations, beginning in 1980.

Credits

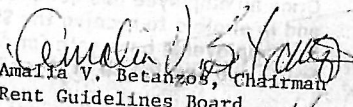
Rental charged and paid in excess of the levels of fair rent increase established by this Order shall be fully credited against the next month's rent.

Rent Stabilization Code

In the event that the New York State Division of Housing and Community Renewal promulgates a revised Rent Stabilization Code, with provisions conflicting with the language of this Order, the provisions of the Code shall apply to all leases entered into subsequent to the promulgation of the Code during the term of this Order.

Dated: June 27, 1986

Filed with the City Clerk: June 30, 1986


Amalia V. Betanzos, Chairman
Rent Guidelines Board