



The Housing Stability and Tenant Protection Act of 2019

New York State Senator
Brad Hoylman

Part A: Extends the Rent Regulation Laws and Makes them Permanent

- The laws had previously been scheduled to expire every four to eight years



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Part B: Vacancy Bonus & Longevity Bonus

- Repeals the “vacancy bonus” which allows a property owner to raise rents as much as 20% each time a unit becomes vacant
- Repeals the “longevity bonus” which allows rents to be raised an additional 0.6% per year once a tenant has lived in the unit for at least eight years



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Part C: Local Rent Guidelines Boards (RGBs)

- Prohibits local RGBs from setting their own vacancy bonuses or rent increase rates



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Part D: Deregulation

- Repeals laws authorizing “vacancy decontrol” once a unit is vacated and the legal regulated rent exceeds the statutory high-rent threshold
 - *Vacancy decontrol has led to the deregulation of nearly 300,000 units since 1994*



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Part D: Deregulation

- Repeals laws authorizing “high-income deregulation” when the rent exceeds the high-rent threshold and the tenant’s household income was \$200,000 or higher in the preceding two years
 - *High-income deregulation has led to the deregulation of nearly 6,500 units since 1994*



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Part E: Preferential Rents

- Prohibits landlords of rent-regulated units from discontinuing the use of preferential rent for a tenant already in the unit on lease renewal
- This effectively makes the preferential rent the base rent for the duration of the tenancy, and RGB increases will be applied to the preferential rent rate



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Part E: Preferential Rents

- Landlords are allowed to charge the full legal maximum rent for the unit once the current tenant vacates the unit, so long as it was not due to the landlord's failure to maintain habitability



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Part F: Rent Overcharges/Look Back

- Increases the four-year statute of limitations for rent overcharge complaints to six years or more as reasonably necessary to determine a reliable base rent
- Removes the ability of landlords to avoid treble damages for overcharges by offering the tenant a refund prior to a decision by a court or by the Division of Housing and Community Renewal (DHCR)



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Part G: Statewide Tenant Protection Act of 2019

- Expands the Emergency Tenant Protection act (ETPA) by allowing any eligible city, town, or village to opt in
 - *The ETPA previously only applied to NYC, Nassau, Westchester, and Rockland counties*
 - *If adopted, the ETPA applies to units that are not rent controlled in buildings of six or more units built before January 1, 1974*



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Part G: Statewide Tenant Protection Act of 2019

- To be eligible, the municipality must conduct a study to determine whether there is a housing emergency (defined as a vacancy rate of 5% or less in the housing stock that would become rent stabilized)
- The county where the municipality is located must establish a Rent Guidelines Board to establish starting rents and authorize increases



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Part H: Relief for Rent-Controlled Tenants

- Limits increases for rent-controlled units to the lesser of 7.5% (the current maximum) or a level equal to the average of the previous five RGB increases for one-year stabilized renewal leases, whichever is lower
- In some years, RGBs froze rent increases for rent-stabilized tenants, while rent-controlled tenants saw increases of up to the maximum of 7.5%



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Part I: Reform “Owner Use” Exception to Rent Regulation

- Reforms “owner use” provision allowing owners to refuse to renew a rent-regulated tenant’s lease so the owner can retake possession for a unit for personal use
- Restricts the use of this provision to a single unit (prior law allowed unlimited recovery) and requires the owner or their immediate family to use the unit as their primary residence
- Prohibits recovery of a unit when the tenant is 62 years of age or older, is disabled, or has lived in the apartment for 15 years (prior law was 20 years)



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Part J: Rent Regulation for Not-for-Profits

- Requires units rented by not-for-profits providing housing to the homeless to remain rent-stabilized
- Gives individuals housed by such non-profits status as tenants
- Ensures that such units remain rent-stabilized at lease renewal



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Part K: Reforms Major Capital Improvements (MCIs)

	PRIOR LAW	NEW LAW
CAP ON ANNUAL MCI RENT INCREASES	6% of rent (NYC) 15% of rent (outside NYC)	2% of rent (statewide; applies to any MCI approved over past 7 years that has not been fully phased into rent)
DURATION OF MCI RENT INCREASE	Permanent	Removed from legal regulated rent after 30 years
AMORTIZATION RATE	8 years (buildings of 35 or fewer units) 9 years (buildings of more than 35 units)	12 years (buildings of 35 or fewer units) 12.5 years (buildings of more than 35 units)



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Part K: Reforms Major Capital Improvements (MCIs)

- Additional requirements/limitations for MCIs:
 - *Limits MCI approvals to work for essential building functions and other improvements (e.g. heat, plumbing, windows, roofing)*
 - *Spending on maintenance is explicitly excluded*
 - *No cosmetic improvements would be eligible for an MCI*
 - *No group work would be considered a building-wide improvement (i.e., replacing the bathroom in every unit)*



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Part K: Reforms Major Capital Improvements (MCIs)

- Additional requirements/limitations for MCIs:
 - *Prohibits MCI approvals if an owner has hazardous violations in the building, and for buildings with 35% or fewer rent-regulated units*
 - *Limits spending to DHCR's forthcoming schedule of reasonable costs of improvements*
 - *Requires DHCR to randomly audit/inspect at least 25% of approved MCIs annually*



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Part K: Reforms Individual Apartment Improvements (IAIs)

	PRIOR LAW	NEW LAW
CAP ON ALLOWABLE NUMBER OF IAI RENT INCREASES	No cap	Owner may perform three reimbursable IAIs over a fifteen year period, not totaling more than \$15,000 in the aggregate
ALLOWABLE RENT INCREASE FOR AN IAI	1/40 th of total cost incurred by the landlord (buildings of 35 or fewer units) 1/60 th of total cost incurred by the landlord (buildings of more than 35 units)	1/168 th of total actual reasonable cost to landlord up to \$15,000 (buildings of 35 or fewer units) 1/180 th of total actual reasonable cost to landlord up to \$15,000 (buildings of more than 35 units)
DURATION OF IAI RENT INCREASE	Permanent	Removed from legal regulated rent after 30 years
AMORTIZATION RATE	3 1/3 rd years (buildings of 35 or fewer units) 5 years (buildings of more than 35 units)	14 years (buildings of 35 or fewer units) 15 years (buildings of more than 35 units)

Part K: Reforms Individual Apartment Improvements (IAIs)

- Additional requirements / limitations for IAIs:
 - *Requires DHCR to randomly audit and inspect at least 10% of IAIs annually*
 - *Directs DHCR to develop an online portal to store all documents in support of an IAI, including written, informed tenant consent, and photographic evidence of the improvement*



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Part K: Increases Annual Rent Registration Fee

- Increases annual fee to register a rent regulated unit from \$10 to \$20 in NYC
- Dedicates the increase to DHCR's enforcement of the rent regulation laws, administered by the Office of Rent Administration (ORA) and the Tenant Protection Unit (TPU)



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Part L: Annual Report from DHCR on Rent Regulation and Tenant Protection

- Requires DHCR to submit detailed annual report to the Governor and Legislature on the ORA and TPU's implementation, administration, and enforcement of the rent regulation system



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Part L: Annual Report from DHCR on Rent Regulation and Tenant Protection

- Must include data regarding:
 - *The number of rent stabilized units within each county*
 - *Applications and approvals for MCIs*
 - *Units with preferential rents*
 - *Rents charged*
 - *Overcharge complaints*



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Part M: Statewide Tenant Protections

- Makes significant, wide-ranging changes to the law surrounding conditions of tenancy, procedures for eviction, protections against retaliatory eviction, and post-judgment protections for tenants
- Creates a temporary commission appointed by the Governor and Legislative leaders to study and report on the impact of these changes
- Changes apply to all residential rental units throughout the state, except where otherwise noted



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Part M: Statewide Tenant Protections

- Prohibits retaliatory eviction by a landlord against a tenant who makes a good faith complaint to them alleging a violation of the warranty of habitability
- Sets a standard period of time for a landlord to provide notice of a refusal to renew or of a rent increase greater than 5%



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Part M: Statewide Tenant Protections

- If a tenant vacates before their lease expires, requires landlords to attempt to mitigate damages by making a reasonable, good faith attempt at re-letting a unit
- Prevents landlords from using databases of court information to blacklist tenants
- Prohibits the sale of data regarding landlord-tenant proceedings to any third party



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Part M: Statewide Tenant Protections

- Prevents landlords from collecting application fees and limits allowable background or credit check fees to no more than \$20.
- Increases record-keeping requirements of landlords when receiving rent payments
- Requires a landlord to notify a tenant in writing if the rent is more than five days late
- Limits the amount of a security deposit to one month's rent, gives tenants a right to a walkthrough inspection with the landlord before occupancy and at the end of a tenancy, and requires the landlord to provide an itemized account of why any security deposit was retained after tenancy



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Part M: Statewide Tenant Protections

- Eviction Reforms:
 - *Creates the crime of unlawful eviction, prohibiting illegal lockouts or use of force to unlawfully evict*
 - *Guarantees a tenant 14 days after a missed payment to pay their rent before an action to evict can be brought, ensuring that tenants who just need to make it to their next paycheck to cover the rent can do so*
 - *Expands the circumstances under which a judge may consider hardship in the tenant's life and stay an eviction proceeding*



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Part R: Condo & Co-Op Conversion Reform

- Eliminates prior law allowing for “eviction plans”, which allowed a building owner to deregulate non-purchasing tenants’ units and evict them within three years if the owner obtained purchase agreements for 51% of the building’s units



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Part R: Condo & Co-Op Conversion Reform

- Reforms “non-eviction plans”, which under prior law required the owner to obtain purchase agreements for 15% of the units, and allowed non-purchasing tenants to remain rent-regulated, but de-regulated the unit when the tenant vacated it
 - *The new law increases non-eviction plans’ purchase agreement requirement to 51%, and requires the requirement to be met through purchases by tenants in occupancy (no vacant units)*
 - *The new law also extends protections to seniors and individuals with disabilities, and permits evictions only for good cause*



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Part O: Mobile and Manufactured Home (MMH) Park Tenant Protections

- Implements sweeping changes to protect MMH owners and tenants and to prevent displacement and park owner/operator abuses
- Limits rent increases, including fees, to 3%-6% annually, depending on the justification



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Part O: Mobile and Manufactured Home (MMH) Park Tenant Protections

- Establishes new rent-to-own provisions that would protect MMH tenants wishing to purchase a home from an MMH park owner or operator
- Adds a Homeowner's/MMH Park Tenants Rights rider for all leases
- Strengthens protections against evictions, including for seasonal residents



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Questions?



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