

AMENDED HOTEL CODE

OF THE

METROPOLITAN HOTEL INDUSTRY STABILIZATION ASSOCIATION

AND *Order 12 &*

HOTEL ORDER NUMBER 13 - July 1, 1983 - June 30, 1984

July 26, 1983

DEPARTMENT OF HOUSING PRESERVATION  
AND DEVELOPMENT

Notice of Approval of Amendment No. 4 to the Amended Code of the Metropolitan Hotel Industry Stabilization Association, Inc.

NOTICE IS HEREBY GIVEN THAT THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT has approved Amendment No. 4 to the Amended Code of the Metropolitan Hotel Industry Stabilization Association, Inc. submitted pursuant to the New York City Rent Stabilization Law, Section YY51-6.1 of the Administrative Code of the City of New York, and Chapter 576 of the Laws of 1974, Section 15.

Dated: July 15 , 1982

ANTHONY GLIEDMAN, Commissioner, Department of Housing Preservation and Development.

AMENDMENT NO. 4 TO THE AMENDED CODE OF  
THE METROPOLITAN HOTEL INDUSTRY STABILIZATION ASSOCIATION, INC.

TABLE OF CONTENTS

PART I-- GENERAL PROVISIONS AND DEFINITIONS

Section 1.	STATUTORY AUTHORITY
Section 2.	APPLICATIONS
Section 3.	DEFINITIONS
	(a) Association
	(b) CAB
	(c) City Rent Law
	(d) City Rent Agency
	(e) City Rent Regulations
	(f) Documents
	(g) Dwelling Unit
	(h) Hotel
	(i) Owner
	(j) Tenant
	(k) Permanent Tenant
	(l) Rent
	(m) Stabilization Rent
	(n) Member in Good Standing
	(o) State Rent Commission
	(p) Required Services
	(q) New Tenancy
	(r) Vacancy
	(s) Vacancy Rental
	(t) Rent Guidelines Board
	(u) Renewal Lease
	(v) Gender
Section 4.	EFFECTIVE DATE
Section 5.	AMENDMENT OR REVOCATION
Section 6.	SEPARABILITY
Section 7.	WAIVER OF BENEFIT VOID

- Section 10. MEMBERSHIP
- Section 11. LATE ENROLLMENTS
- Section 12. LOSS OF MEMBERSHIP
- Section 13. VIOLATION OF RSL AND CODE
- Section 14. DUES
- Section 15. EXPULSION FOR FAILURE TO PAY DUES
- Section 16. DUTY TO REFUND
- Section 17. POSTING OF CERTIFICATES AND COVERED UNITS
- Section 18. FILING OF COVERED UNITS
- Section 19. RECORDS
- Section 20. CONSEQUENCES OF NOT BEING A MEMBER

#### PART III--LEASES AND RENTALS

- Section 21. EFFECT OF THIS CODE ON LEASES AND OTHER RENTAL AGREEMENTS
- Section 22. LEASE AGREEMENTS
- Section 23. SECURITY DEPOSITS
- Section 24. RENTALS FOR PERMANENT TENANTS WHOSE TENANCIES COMMENCED PRIOR TO July 1, 1971
- Section 25. RENTALS FOR TENANTS WHOSE TENANCIES BECAME SUBJECT TO THE CODE ON OR AFTER JULY 1, 1974 (ETPA)
- Section 26. EFFECT OF VACANCY OR RENEWAL OF TENANCY
- Section 27. TENANTS' RIGHTS AND OBLIGATIONS
- Section 28. SENIOR CITIZENS

#### PART V-- THE CONCILIATION AND APPEALS BOARD

- Section 30. COMPOSITION
- Section 31. COMPENSATION
- Section 32. OFFICES AND STAFF
- Section 33. POWERS AND DUTIES
- Section 34. STANDARDS FOR RENT ADJUSTMENTS
- Section 35. HARDSHIP APPLICATIONS

#### PART VI--RENT ADJUSTMENTS

- Section 40. EFFECT OF CAB ORDERS ADJUSTING STABILIZATION RENTS
- Section 41. INCREASE IN SERVICES
- Section 42. DECREASE IN SERVICES
- Section 43. CHANGE IN FOOD COSTS
- Section 44. BUILDING-WIDE MAJOR CAPITAL IMPROVEMENTS
- Section 45. HARDSHIP ADJUSTMENTS

#### PART VII--GROUNDS FOR EVICTION AND REFUSAL TO RENEW LEASE

- Section 50. GROUNDS FOR EVICTION
- Section 51. NON RENEWAL OF LEASE OR TENANCY
- Section 52. CONVERSION TO COOPERATIVE OR CONDOMINIUM OWNERSHIP

#### PART VIII--PROHIBITIONS

- Section 60. EVASION OF CODE
- Section 61. LEASE TERM RELATING TO CANCELLATION OR EVICTION
- Section 62. HARASSMENT
- Section 63. DENIAL OF LEASE
- Section 64. RETALIATORY ACTION

#### PART I

#### GENERAL PROVISIONS AND DEFINITIONS

Section 1. STATUTORY AUTHORITY--This Amended Code of the Metropolitan Hotel Industry Stabilization Association, Inc. is adopted subject to approval of the Department of Housing Preservation and Development pursuant to the powers granted and in accordance with the Rent Stabilization Law of 1969 (Local Law No. 16 and No. 51 of 1969) (hereinafter "RSL") as extended and as amended by the provisions of Chapter 576 of the Laws of 1974 of the State of New York (hereinafter "ETPA") and the resolution of the City Council of the City of New York No. 276 adopted June 20, 1974 and effective July 1, 1974, and as further extended by Chapter 203 of the Laws of 1977 and Chapter 383 of the Laws of 1981.

Section 2. APPLICATION--

(a) This Code will apply to:

(1) dwelling units which are subject to regulation pursuant to the hotel stabilization provisions of the RSL including those in all hotels, whether classified as a Class A or Class B multiple dwelling, containing 6 or more dwelling units, provided (a) that the hotel was erected before July 1, 1969, (b) that the building was regarded as a hotel and provided hotel services, as defined herein, on June 1, 1968, and (c) the rent charged for the individual dwelling unit on May 31, 1968 was not more than \$350.00 per month or \$88.00 per week and that a unit vacant on May 31, 1968 shall be considered a covered unit provided that the rent asked or the rental value on May 31, 1968 was not more than such amounts, and further provided that, notwithstanding the foregoing, this Code shall apply to dwelling units in any hotel whether classified as a Class A or Class B multiple dwelling, eligible for benefits pursuant to the provisions of Section J51-5.0 of the Administrative Code of the City of New York.

(2) similar dwelling units which are subject to regulations pursuant to the ETPA including units in hotels, single room occupancy facilities and rooming houses, or rooming units, as those terms are defined by law, which were (a) subject to provisions of this Code on June 31, 1971 and were thereafter exempted upon vacancy decontrol by Chapter 371 of the Laws of 1971, (b) were subject to the provisions of the City Rent Law on June 30, 1971 and were thereafter exempted from vacancy decontrol by Chapter 371 of the Laws of 1971, or (c) are in buildings completed or substantially rehabilitated prior to January 1, 1974, provided that the dwelling unit is located in a multiple dwelling containing six or more dwelling units.

(b) Unless such units are subject to regulation pursuant to the provisions of subsection (a), this Code shall not apply to the following:

(1) Dwelling units not covered by city rent control or rent stabilization on June 30, 1971;

(2) Hotel dwelling units in Class A or Class B multiple dwellings renting for more than \$350 per month or more than \$88 per week on May 31, 1968;

(3) Hotel dwelling units which are subject to the City Rent Law because the tenant has been in continuous possession since December 2, 1949;

(4) Units which are not registered or whose registration is not or has not been maintained in good standing with the Association;

(5) Dwelling units decontrolled by the City Rent Agency pursuant to items (1) or (2) of subparagraph (1) of paragraph 2 of subdivision (c) of Section 3 of the City Rent Law;

(6) Dwelling units which are either (a) owned or leased by or financed by loans from a public agency or public benefit corporation, or (b) subject to rent regulation under the Private Housing Finance Law or any other state law, or (c) aided by government insurance under any provision of the National Housing Act, to the extent the RSL or any regulation or order issued thereunder is inconsistent therewith;

(7) Dwelling units occupied by domestic servants, superintendants, caretakers, housekeepers, engineers, managers or other employees for whom the space is provided as part or all of their compensation in lieu of payment of rent and who are employed for the purpose of rendering services in connection with the premises of which the dwelling unit is a part;



units located in a building or structure owned by a cooperative corporation or association if allocated to an individual proprietary lessee who resides in that unit or a dwelling unit in a property under the provisions of the Condominium Act and the owner resides in the condominium dwelling unit or dwelling units located in the building or structure for which a cooperative or condominium plan was, as to units which became vacant between July 1, 1971 and June 30, 1974, accepted by the Attorney General and offered to the tenants and title passed to the cooperative corporation or came under the provisions of the Condominium Act before July 1, 1974;

(9) Dwelling units not occupied by an individual or family as his or their principal residence. A dwelling unit will be considered a principle residence if the tenant meets any one of the following tests:

- (a) the tenant does not regularly maintain any other home;
- (b) the tenant has filed a New York City Resident Income Tax Return from said address for the prior year or
- (c) the tenant is a registered voter from said address.
- (10) Dwelling units occupied on a transient basis;
- (11) Dwelling units owned or operated by a hospital, convent, monastery, asylum, public institution or college or school dormitory or any institution operated exclusively for a charitable or educational purpose on a non-profit basis;
- (12) Dwelling units in buildings operated exclusively for charitable purposes on a non-profit basis; and
- (13) Dwelling units in buildings owned by the City of New York or its agencies.

Section 3. DEFINITIONS--When used in this Code, unless a different meaning clearly appears from the context, the following terms shall have the meaning specified in this section.

(a) "Association"--The Metropolitan Hotel Industry Stabilization Association, Inc. authorized by the RSL and registered with the Housing and Development Administration or its successor the Department of Housing Preservation and Development ("DHPD") pursuant to Section YY51-6.1 of the RSL.

(b) "CAB"--The New York City Conciliation and Appeals Board established pursuant to the RSL and the ETPA. This is the same Board as defined in Section 2(r) of the Code of the Rent Stabilization Association of New York City, Inc.

(c) "City Rent Law"--The City Rent and Rehabilitation Law (Local Law No. 20 of the City of New York for 1962), as amended.

(d) "City Rent Agency"--The Division of Rent Control of the Department of Housing Preservation and Development.

(e) "City Rent Regulations"--The regulations issued by the City Rent Agency.

(f) "Documents"--Records, books, accounts, correspondence, leases, memoranda and other documents, and drafts and copies of any of the foregoing.

(g) "Dwelling Unit"--As used within this Code, the term "dwelling unit" shall mean a dwelling unit to which this Code applies.

(h) "Hotel"--Any Class A or Class B Multiple dwelling containing six or more dwelling units which on June 1, 1968 was and still is commonly regarded as a hotel, transient hotel or residential hotel, which customarily provides hotel services such as maid service, furnishings and laundering of linen, telephone and bellboy service, secretarial or desk service and use and upkeep of furniture and fixtures.

(j) "Tenant"--An individual or family to whom a dwelling unit has been cooperative, assignee or other person receiving or entitled to receive rent for the use and occupancy of any dwelling unit, or an agent of any of the foregoing.

(j) "Tenant"--An individual or family to whom a dwelling unit has been rented by the owner or his agent whose principal residence is the dwelling unit and who has been in occupancy for more than 30 days.

(k) "Permanent Tenant"--A permanent tenant is an individual or family who has continuously resided in the same unit as a principal residence for a period of at least six months. A family includes a husband, wife, son, daughter, stepson, stepdaughter, father, mother, father-in-law or mother-in-law. A tenant in occupancy pursuant to a lease of six months or more shall be a permanent tenant.

(l) "Rent"--Any consideration demanded or received for, or in connection with the use and occupancy of dwelling units, including any bonus, benefit, gratuity or payment of a similar nature.

(m) "Stabilization Rent"--The permissible rent for the use of dwelling units subject to the Code to which may be added any lawful increases permitted under the RSL or this Code. Such permissible rents are further defined in Part III of this Code. For succeeding vacancy rentals, as defined herein, the initial legal regulated rent shall be the first rent charged and paid.

(n) "Member in Good Standing"--An owner of dwelling units subject to this Code who joined the Association and maintains membership in good standing in accordance with the provisions of Part II of this Code.

(o) "State Rent Commission"--The Temporary State Housing Rent Commission created by the Emergency Housing Rent Law.

(p) "Required Services"--

(1) That space and those services which were furnished or were required to be furnished for the dwelling unit on May 31, 1968 or on the date of the initial commencement of the tenancy, whichever is later, except that for units which became subject to the RSL on or after July 1, 1974, "required services" shall be those furnished or required to be furnished on May 29, 1974, or on the date of the initial commencement of the tenancy, whichever is later. These shall to the extent so furnished or required to be furnished, include repairs, decorating and maintenance. The owner shall paint each dwelling unit at least once every three years.

(2) Where services to a tenant were provided by an independent contractor pursuant to a contract with the owner, such charges shall be excluded from the provisions of this Code, provided that the tenant, if he wanted the service, paid for the same separately on May 31, 1968 or on the commencement of his tenancy if subsequent thereto. In addition, charges made to the tenant by the owner for the account of the tenant based upon a charge of a personal nature incurred by the tenant, such as outgoing telephone calls, laundry, valet, bar and food which are not customarily included in his rent, shall be excluded from the provisions of this Code.

(q) "New Tenancy"--Tenancy resulting from the letting of a vacant dwelling unit.

(r) "Vacancy"--A dwelling unit vacant and unoccupied.

(s) "Vacancy Rental"--Rental of a dwelling unit by a tenant not previously in possession. Any dwelling unit voluntarily vacated by a tenant may be offered for rental and rented at any price without regard to any established permissible rent level. If the unit becomes vacant because the prior tenant was evicted therefrom, the unit shall not be considered voluntarily vacated and there shall be no increase in the rental of such dwelling unit except for such increases that the prior tenant would have had to pay had he continued in occupancy.

(t) "Rent Guidelines Board"--The Board created pursuant to Section YY51-5.0 of the RSL and the ETPA.

unit commencing upon or after the completion of his prior term, including a written extension of an existing lease or the execution of a new lease for the same space to the same tenant.

(v) "Gender"--Words of the masculine gender include the feminine and, where the sense permits, may include an entity which has no gender, such as a corporation, partnership or association.

Section 4. EFFECTIVE DATE--Code provisions adopted pursuant to Local Law No. 51 of 1969 shall be deemed to have become effective as of October 10, 1969. The Code provisions amended or added pursuant to the ETPA and New York City Council Resolution No. 276 are effective as of July 1, 1974, the New York City local effective date.

Section 5. AMENDMENT OR REVOCATION--Any provision of this Code may be amended or revoked by the Association, subject to the approval of the Department of Housing Preservation and Development.

Section 6. SEPARABILITY--If any provision of this Code or the application of such provision to any persons or circumstances shall be held invalid, the validity of the remainder of this Code and the applicability of such provisions to other persons and circumstances shall not be affected thereby.

Section 7. WAIVER OF BENEFIT VOID--Any agreement by a tenant to waive the benefit of any provision of the RSL, the ETPA, or this Code shall be void, unless permitted by this Code.

## PART II

### MEMBERSHIP AND MEMBERS' OBLIGATIONS

Section 10. MEMBERSHIP--Membership in the Association shall be open to any owner of dwelling units subject to the provisions of this Code, so long as he maintains his membership in good standing with respect to such dwelling units. A member shall agree in writing to comply with this Code and to abide by orders of the CAB and shall comply with prescribed levels of fair rent increases as well as the provisions of this Code and orders of the CAB. Timely application for membership shall be made as follows:

(a) An owner of dwelling units subject to the Code who joined the Association on or before December 11, 1969 or within thirty days after becoming a successor to such owner, provided such accommodations were not under actual control of the City Rent Agency; or

(b) An owner of dwelling units subject to this Code because of the provisions of the ETPA shall join the Association within sixty days after such units became subject to this Code, or within thirty days after becoming a successor to such owner, provided such accommodations were not under actual control of the City Rent Agency.

Section 11. LATE ENROLLMENT--Notwithstanding the above section, an owner may be granted permission for late enrollment if he (a) presents a valid reason for late enrollment, (b) obtains the written approval of the Department of Housing Preservation and Development, and (c) satisfies any requirements imposed by the Association, including payment of full or partial payment of dues as required by the Association for each calendar year for which dues would have been paid if the registration had been timely.

Section 12. LOSS OF MEMBERSHIP--A member shall have his membership with respect to any dwelling unit or building suspended or terminated by the CAB if the CAB determines a member has:

(a) willfully exceeded the level of fair rent increases established by the City Council, the RSL, the Rent Guidelines Board or this Code with respect to permanent tenants and all such charges shall be deemed willful unless the member proves otherwise, or

(b) refused to abide by an order of the CAB within ten days of the date of the issuance of such order, or

(c) been found by the CAB to have harassed a tenant as defined in Section 62 of this Code.

Section 13. VIOLATIONS OF RSL AND CODE--Any action or failure to act of any member constituting a violation of the RSL or this Code, other than a violation as described in Section 12, shall be subject to such discipline, fine or sanction, as may be imposed by the Association or the CAB.



Section 14. DUES--The dues of the Association shall be imposed solely for the purpose and in an amount sufficient to defray the reasonable expenses of organizing and administering the affairs of the Association, the pro rata cost of the CAB and for such other purposes as may be specified by the Association. The dues payable by each member shall be his pro rata share of the foregoing expenses based upon the number of dwelling units subject to this Code and fixed by the Association.

Section 15. EXPULSION FOR FAILURE TO PAY DUES--(a) The Association may expel a member for non-payment of dues if his dues are in arrears in excess of sixty days upon giving the member written notice of such arrearage as provided in Section 5 of the Rent Stabilization Regulations, as amended. Upon such expulsion the Association shall notify the Department of Housing Preservation and Development in writing of such action and the grounds therefor.

(b) The Association shall have the sole power, subject to obtaining the specific prior written approval of the Department of Housing Preservation and Development, to grant reinstatement to any former member who has been expelled for non-payment of dues.

Section 16. DUTY TO REFUND--Each member shall reimburse permanent tenants any excess paid over the permissible stabilization rent by cash refund or credit against future rent. Unless contrary to an order of the CAB or the Rent Guidelines Board, any credit against future rent shall be granted in equal installments over the next 12 months, commencing no later than one month after it is determined that there has been an excess payment and a tenant who vacates before he receives full reimbursement shall be immediately paid any remaining portion of the reimbursement.

Section 17. POSTING CERTIFICATE AND NOTICE OF COVERED UNITS--

(a) Every member shall display, in a prominent location within the premises, a certificate of membership in the Association advising tenants that he has agreed to be bound by this Code. The Certificate shall set forth the tenants' rights to obtain a lease as provided herein.

(b) Every member shall post and maintain a notice in the lobby indicating which dwelling units are subject to this Code.

Section 18. FILING OF COVERED UNITS--The room number of each dwelling unit subject to this Code shall be filed with the Association within the time provided in Section 10 of this Code.

Section 19. RECORDS--After the effective date of this Amended Code, members shall preserve and maintain records of the rent paid by tenants subject to this Code and any written leases or other agreements with such tenants for the duration of the tenant's occupancy and for one year thereafter. Members shall produce such records and documents upon the demand of the CAB or the Department of Housing Preservation and Development and shall turn over such records and documents to any new owner of the building.

Section 20. CONSEQUENCE OF NOT BEING A MEMBER -- Dwelling units covered by the Rent Stabilization Law or this Code shall be deemed to be housing accommodations subject to control under the provisions of the City Rent Law unless the owner of such units is a member in good standing of the Association.



PART III  
LEASES AND RENTALS

Section 21. EFFECT OF THIS CODE ON LEASES AND OTHER RENTAL AGREEMENTS--(a) No vacancy lease or rental agreement shall contain any provision which is inconsistent with the RSL or this Code.

(b) Any provisions of any lease or other rental agreement which are inconsistent with the RSL or this Code shall be suspended.

Section 22. LEASE AGREEMENTS--

(a) An occupant to whom a dwelling unit that is subject to this Code has been rented by the owner or his agent and who has never had a lease may, at any time during his occupancy, ask for a lease subject to the provisions of Sections 50 and 51 of this Code and the owner must grant a lease for a period of at least six (6) months within fifteen days after the occupant requests one. An occupant who signs such a lease becomes a permanent tenant as defined in Section 3(k) of this Code and such lease need not be renewed. Each such lease subject to this Code shall contain a rider describing the rights and duties of owners and tenants as provided for under the Rent Stabilization Law. Such rider shall conform to the intent of Section 5-702 of the General Obligations Law and shall be attached as an addendum to the lease. Upon the face of each lease, in bold print, shall appear the following: "ATTACHED RIDER SETS FORTH RIGHTS AND OBLIGATIONS OF TENANTS AND LANDLORDS UNDER THE RENT STABILIZATION LAW."

(b) The terms and conditions of a lease must be written in clear language and appropriately divided and captioned as required by Section 5-702 of the General Obligations Law.

(c) Any lease may contain a clause which provides for an increase in the stabilization rent on one of the following conditions:

(1) Pursuant to an order of the CAB or the Rent Guidelines Board, to be collectible as of the effective date of such order provided that demand for the increase is made within ninety days of the date of the order or its effective date, whichever is later, or if such demand is not made within such ninety day period, as of the first day of the month next succeeding such demand;

(2) That an owner and tenant have agreed to be bound by a determination of the CAB, City Council or Rent Guidelines Board affecting the tenancy during the term of said lease, subject to judicial review;

(3) An escalator for increased costs of operation such as real estate taxes, or other similar provisions if a lease for such dwelling unit in effect on May 31, 1968, contained the same provision, subject to any limitations imposed by the Rent Guidelines Board or the CAB;

or

(4) In the event that a tenant shall demand a lease for a dwelling unit having approved varying rates, the lease may provide for an increase or decrease in rents, as the case may be, to reflect such variations. If there is an increase, then the lease must give the tenant the right to vacate when the increase becomes effective.

(d) Where the owner and tenant have entered into a valid written lease which provides for an increase in rent consistent with the RSL and this Code, the stabilization rent may automatically be increased.

(e) Notwithstanding subdivision (a) above, any tenant of a room or an apartment subject to this Code who has entered into a valid written lease for a period of one year or more may have that lease renewed for a period of one year at its expiration at the option of the owner. This shall not prevent the owner and tenant from entering into a lease for a term longer than one year if they mutually agree nor does it diminish the tenant's right to become a permanent tenant pursuant to Section 3(k) of this Code.

Section 23. SECURITY DEPOSITS--No owner shall demand, receive or retain a security deposit or advance rent payment in connection with the use and occupancy of dwelling units which exceeds the rent for one month, except a deposit not in excess of the rent for two months may be demanded in connection with a renewal lease of:

(a) For dwelling units subject to the RSL on June 30, 1974 a lease in effect May 31, 1968 which contained a provision for a two month security deposit; or

(b) For dwelling units which became subject to the RSL on July 1, 1974, a lease in effect on May 29, 1974 which contained a provision for a two month security deposit.

Such security deposit or advance rent payment shall be held pursuant to the requirements of Section 7-103 of the General Obligations Law.

Section 24. RENTALS FOR PERMANENT TENANTS WHOSE TENANCIES COMMENCED PRIOR TO JULY 1, 1971--The permissible stabilization rents for permanent tenants who took occupancy of a dwelling unit prior to July 1, 1971 and who remain in possession shall be the initial stabilized rents, as defined in this Section, plus lawful increases permitted under the RSL and this Code. The initial stabilized rents for such tenants shall be:

(a) For a dwelling unit occupied by a permanent tenant in possession on May 31, 1968, the initial stabilization rent shall be the May 31, 1968 rent.

(b) Where there has been a vacancy rental since May 31, 1968, the initial stabilization rent for the new permanent tenant shall be the new vacancy rent.

(c) For a dwelling unit where the rent of the tenant in possession was fixed after decontrol of the unit in an order made pursuant to Section 51-12.0 or items (1), (2), (3), (6) or (7) of subparagraph i of paragraph 2 of subdivision e of Section 51.3 of the City Rent Law, or paragraph 12, 14 or 15 of subdivision f of Section 2 of the City Rent and Eviction Regulations the initial stabilization rent for the permanent tenant shall be whichever is the higher of the following: the rent fixed after decontrol or the rent charged on May 31, 1968 where the RSL or this Code is applicable. In the case of a vacancy in such decontrolled unit, the stabilization rent shall be determined as provided in (b) above.

Section 25. RENTALS FOR TENANTS WHOSE TENANCIES BECAME SUBJECT TO THE CODE ON OR AFTER JULY 1, 1974 (ETPA)--Permissible stabilization rents for permanent tenants who became subject to the Code on or after July 1, 1974 shall be the initial stabilized rent, as defined in this Section, plus lawful increases permitted under the RSL and this Code. The initial stabilized rents for such tenants shall be:

(a) For a tenant in occupancy on June 30, 1974 the initial stabilized rent shall be the permissible rent charged and paid on May 29, 1974, except as provided in subsection (c) below.

(b) For a tenant taking occupancy after June 30, 1974 the initial stabilized rent shall be the vacancy rent.

(c) For the units which become subject to the RSL upon decontrol pursuant to the City Rent Law for reasons other than vacancy, the initial stabilized rent shall be the permissible rent charged and paid on May 29, 1974, or the first permissible rent charged and paid after the unit first became subject to the RSL, whichever occurred later.

Section 26. EFFECT OF VACANCY OR RENEWAL OF TENANCY--All dwelling units subject to the RSL continue to be governed by the provisions of the RSL and this Code upon vacancy or renewal of the tenancy.

TENANTS' RIGHTS AND OBLIGATIONS

Section 27. TENANTS' RIGHTS AND OBLIGATIONS--(a) Each owner shall furnish to an occupant upon registration in a unit subject to the Rent Stabilization Law a notice approved by DHPD describing the rights and duties of owners and tenants as provided for under the Rent Stabilization Law. Such notice shall be signed by the owner and by the occupant as an indication of his receipt of such notice and must be kept on file by the owner for the duration of the tenant's occupancy and for one year afterwards as provided for in Section nineteen (19) of this Code. Such notice shall conform to the intent of Section 5-702 of the General Obligations Law. Such notice shall also be furnished, signed and filed as indicated above within sixty (60) days after the approval of this Code to all tenants in occupancy on the date of the approval of this Code.

(b) Subject to the provisions of Section 22(a) an occupant who has never had a lease may request a lease at the permissible rent at any time during his occupancy and subject to the provisions of Sections 50 and 51 of this Code, the owner must grant a lease for a period of at least six (6) months within fifteen days after the tenant requests one.

(c) A tenant who moves from one dwelling unit to another in the same building at the request and convenience of the owner retains any and all rights he had under the Rent Stabilization Law of this Code.

Section 28. SENIOR CITIZENS--(a) An eligible senior citizen who is a permanent tenant may apply for and receive the benefits of the Senior Citizen Rent Increase Exemption Program in accordance with the rules and regulations established by the City Rent Agency.

PART V

THE CONCILIATION AND APPEALS BOARD

Section 30. COMPOSITION--The Board shall consist of nine members to be appointed by the Mayor with the approval of the City Council. Four members shall be representative of Tenants, four members shall be representative of Owners, and one member shall be designated by the Mayor to serve as impartial Chairman and shall hold no other public office.

Section 31. COMPENSATION--The compensation of the members of the CAB, other than the Chairman, shall be not less than \$12,000 per annum, and the compensation of such Chairman shall be not less than \$20,000 per annum. Such compensation shall be paid jointly by the Rent Stabilization Association and the Association and shall not be subject to reduction during the term of appointment of any such member or chairman.

Section 32. OFFICES AND STAFF--The CAB shall have such offices and staff as shall be necessary to carry out its functions. The cost of such operations and staff shall be borne jointly pro rata by the Rent Stabilization Association and the Association.

Section 33. POWERS AND DUTIES--The CAB shall receive and act upon complaints and applications from tenants and owners made pursuant to the provisions of the RSL, the ETPA and this Code. The CAB, in addition to the general powers conferred upon it by the RSL, the ETPA and this Code, has the following specific duties:

- (a) The determination of any complaint of harassment instituted by a tenant;
- (b) The determination of any claim which would be a basis for suspension or other discipline pursuant to Section 12 or 13 of this Code;
- (c) To apportion the payment of hardship increases so as to avoid undue hardship to tenants;
- (d) The determination of any application for rent adjustment by an owner pursuant to this Code;
- (e) The issuance of rules, instructions and forms for the filing



of complaints by tenants and applications by owners;  
(f) The issuance and administration of rules and regulations with respect to Senior Citizens Rent Increase Exemption Program, as provided in Section YY51-4.1 of the RSL, as modified by Section YY51-4.1.1 of the R S L ; and

(g) Upon application of any tenant, to adjust the stabilization rent where it determines such rent to be inconsistent with this Code.

Section 34. STANDARDS FOR RENT ADJUSTMENTS--This Code sets forth specific standards for the increase of stabilization rents. In applying these standards and issuing any orders adjusting any stabilization rent, the CAB shall take into consideration the equities involved with due regard for protecting tenants and the public interest against unreasonably high rent increases inconsistent with the purposes of the RSL. Neither the CAB nor the Association shall impose an industry-wide schedule of rents or minimum rents.

Section 35. HARDSHIP APPLICATIONS--(a) No more than one order adjusting any stabilization rent for hardship may be issued in any 12 month period.

(b) The CAB shall determine the dollar amount of the hardship rent adjustment and it shall then compute the adjustment as a percentage of gross rents. That percentage shall be the percentage increase applicable to the rent chargeable to each dwelling unit.

#### PART VI RENT ADJUSTMENTS

Section 40. EFFECT OF CAB ORDERS ADJUSTING STABILIZATION RENTS--(a) An application for the adjustment by the CAB of a stabilization rent shall be effective when it is issued, provided that if no order is issued within thirty days from the date of filing an application, the order adjusting the stabilization rent shall be effective as of such thirtieth day. In the event that an order is issued increasing the stabilization rent because of hardship, the tenant may, within thirty days of his receipt of a copy of the order of the CAB and notice from the owner demanding the increased rent, cancel his lease or tenancy on sixty days' written notice. During said period the cancelling tenant may continue in occupancy with no increase in rent.

(b) If the rent is increased pursuant to an order of the CAB or the Rent Guidelines Board, such increase shall be collectible as of the effective date of such order, provided that demand for the adjustment is made within ninety days of the date of the order or its effective date, whichever is later, or if such demand is not made within such ninety day period, as of the first day of the month next succeeding such demand.

Section 41. INCREASE IN SERVICES--For dwelling units for which there has been an increase in services since the date as of which required services are determined pursuant to subsection 2(p) of this Code, the rent may be increased upon the consent of the tenant as follows:

(a) For an increase in dwelling space or the installation of new equipment, furniture, furnishings or improvements in a particular dwelling unit other than a major capital improvement, the rent may be increased up to 1/36th of the total cost of such added dwelling space, equipment, furniture, furnishings or improvement, including the cost of installation thereof; provided, however, that such increase shall not be collectible during the term of a lease or tenancy then in effect, or any renewal or extension thereof, except when such increase was furnished with the implied or expressed consent of the tenant between May 31, 1968 and the effective date of this Code, or if furnished thereafter upon the written consent of the tenant;

(b) For an increase in services or equipment for which there is a periodic charge made to the owner by an independent contractor, the increase may be passed along to the tenant; however, such charge shall not be collectible during the term of the lease then in effect or any renewal or extension thereof except if furnished upon the written consent of the tenant; or

(c) For an increase in services on a building-wide basis with the agreement of the tenant, the stabilization rent shall be increased by the pro rata charge allocable to the dwelling unit.

Section 42. DECREASE IN SERVICES--A decrease in services after the date as of which required services are determined pursuant to subsection 2(p) of this Code is permitted:

(a) with the approval of the CAB, upon application by the owner, upon such terms and conditions as the CAB may set, provided that the owner shall not reduce services until the CAB has approved the reduction of services and determined appropriate rent reduction; or

(b) upon the written consent of the tenant, provided that the tenant may within ninety days following the date of the written consent, apply to the CAB for a review of the reduction in rent and an adjustment may be ordered by the CAB of the reduction in rent, which shall be retroactive to the date of the reduction in rent.

Section 43. CHANGE IN FOOD COSTS--In an American Plan hotel where food charges are included in the charge paid by the tenant, the hotel may file a schedule with the Department of Housing Preservation and Development indicating the per centum of charge attributable to the food and may, at its option, increase or decrease the food charge in accordance with any increase in the United States Government Consumer Price Index for food in the Metropolitan Area or otherwise as provided herein provided that such adjustment is made no more than four months after any such previous adjustment.

Section 44. BUILDING-WIDE MAJOR CAPITAL IMPROVEMENTS--(a) The CAB shall grant an increase in the stabilization rent where, upon application of the owner, it determines that there has been a building-wide major capital improvement after the date on which the unit becomes subject to the RCL.

(b) The owner must establish to the satisfaction of the CAB:

(1) that such improvement is deemed depreciable under the Internal Revenue Code and is other than ordinary repairs;

(2) the amount of the cash cost of such improvement exclusive of interest and service charges.

(c) All such applications under this provision must be accompanied by proof of filing by the owner for all necessary government approvals. The CAB may order an adjustment of rent under this section prior to the receipt or completion of such approvals, provided that no rent increase shall be effective until the owner has submitted all necessary governmental approvals to the CAB (unless waived by the CAB or the Department of Housing Preservation and Development of the City of New York).

(d). Any order of the CAB pursuant to this section shall determine the adjustment in ~~maximum~~ rents by dividing the cash cost over a sixty (60) month period of amortization. Allocation of such rent increase to each dwelling unit shall be based on the formula set forth in subsection 35(b) of this Code. In the case of a building-wide improvement constituting a "moderate rehabilitation" as defined in Subdivision 2.1(6) of the Rules and Regulations Governing Tax Exemption and Tax Abatement pursuant to Title J of the Administrative Code of the City of New York, an owner may elect that the CAB shall deem the total cash paid by the owner for such improvement to be the amounts certified by the Tax Abatement/Tax Exemption Unit of the Department of Housing Preservation and Development of the City of New York in the "certificate of eligibility" issued by such office with respect to such improvement. Such election shall be binding on the CAB and shall waive any claim for a rental increase by reason of any difference between the total cash paid by the owner and such lesser certified amount.

Section 45. HARDSHIP ADJUSTMENTS--(a) Hardship--An owner may file an application on forms prescribed by the CAB and it shall grant appropriate rent adjustments where the rent is insufficient to enable the property to maintain approximately the same average annual net income (which shall be computed without regard to debt service, financing costs or management fees) for the three year period ending on or within six months of the date of an application pursuant to such criteria as compared with annual net income which prevailed on the average over the period 1968 through 1970, for the first three years of operation if the building was completed since 1968 or for the first three fiscal years after a transfer of title to a new owner provided the new owner can establish to the satisfaction of the CAB that he acquired title to the building as a result of a bonafide sale of the entire building and that the new owner is unable to obtain requisite records for the fiscal years 1968 through 1970 despite diligent efforts to obtain same from predecessors in title and further provided that the new owner can provide financial data covering a minimum of six years under his continuous and uninterrupted operation of the building to meet the three year to three year comparative test periods herein provided. Increases granted under this Section, when added to the average annual net income as determined by the CAB, shall not exceed the sum of the following:

- (i) the annual operating expenses of the building;
- (ii) an allowance for management services within the building as determined by the CAB,
- (iii) actual annual mortgage debt service (interest and amortization) of the building on its indebtedness to a lending institution, an insurance company, a retirement fund or welfare fund which is operated under the supervision of the banking or insurance laws of the State or the United States, and
- (iv) 8 1/2 percent of that portion of the fair market value of the property in excess of the unpaid principal amount of the building's mortgage indebtedness referred to above. Fair market value shall be calculated at six times the annual gross rent.



The maximum hardship rent increase collectible in any one year (measured from the effective date of the order granting the increase) shall not exceed 6% of the rent for such apartment set forth in the schedule of gross rents. Any amount in excess of 6% may be collected in future years by adding the same monthly increment to the stabilized rent established in future years.

(b) Operating Loss—An owner may file an application and the CAB may grant appropriate rent adjustments where the rents are insufficient to enable the owner to pay out of gross rents the operating expenses of the building and also interest and amortization on indebtedness to a lending institution, an insurance company, a retirement fund or welfare fund which is operated under the supervision of the banking or insurance laws of the State of New York or the United States.

(c) Notwithstanding any other provision of this Code, no increase granted pursuant to this Section shall take effect during the first year after the commencement of tenancy.

#### PART VII

#### GROUND FOR EVICTION AND REFUSAL TO RENEW LEASE

Section 50. GROUND FOR EVICTION--An action or proceeding to recover possession of any dwelling unit covered by this Code shall be maintainable in a court of competent jurisdiction only upon one or more of the grounds specified in the Real Property Actions and Proceedings Law or upon one of the following grounds:

(a) Violation of tenancy--The tenant is violating a substantial obligation of his tenancy other than the obligation to surrender possession of such dwelling unit and has failed to cure such violation after written notice by the owner that the violation cease within ten days or if no such notice was given, that within the three-month period immediately prior to the commencement of the proceeding, the tenant has wilfully violated such an obligation and thereby is inflicting serious and substantial injury upon the owner;

(b) Nuisance--The tenant is committing or permitting a nuisance in such dwelling unit, is maliciously or by reason of gross negligence substantially damaging the building or any part thereof or his conduct is such as to interfere substantially with the comfort and safety of the owner or of other tenants or occupants of the same or an adjacent dwelling unit, building or structure;

(c) Subjecting the owner to civil or criminal penalty--Occupancy of the dwelling unit by the tenant is illegal and the owner is subject to civil or criminal penalties therefor, or both;

(d) Illegal use--The tenant is using or permitting such dwelling unit to be used for an illegal purpose;

(e) Refusal of access--The tenant has unreasonably, in violation of his lease or rental agreement or of the rules of the municipal agency having jurisdiction, refused the owner access to the dwelling unit when access is sought for the purpose of (1) making necessary repairs or improvements required by law, (2) inspection for the purpose of maintaining premises or (3) showing the dwelling unit to a prospective purchaser, mortgagee or other person having legitimate interest in the unit or building.

(f) Change of unit--The tenant has refused, after at least 10 days written notice, to move to a substantially similar dwelling unit in the same building at the same stabilization rent, provided (1) that the owner has a lawful plan to reconstruct, renovate or improve said unit or the building in which it is located, (2) that the move is reasonably necessary to permit such reconstruction, renovation or improvement, and (3) that the owner moves the tenant's belongings to the other unit at the owner's cost and expense. No tenant who has been required to move pursuant to this subdivision shall be required to move more than one additional time within two years from the date of the completion of the first move.

Section 51. NON RENEWAL OF LEASE OR TENANCY--An owner may refuse to offer or renew a lease or to continue the tenancy of a permanent tenant upon one of the following grounds:

(a) Occupancy of a cooperative or condominium units--The dwelling unit is located in a structure or premises owned by a cooperative corporation or association and is allocated to an individual proprietary lessee or is a unit in a property under the provisions of the Condominium Act and the proprietary lessee or owner, who does not reside in the building, seeks in good faith to recover possession, provided, however, that the foregoing shall not affect the right to continued occupancy of eligible handicapped persons or eligible senior citizens exercising their rights pursuant to the provisions of Section 352-eeee of the General Business Law or of persons eligible for continued occupancy by reason of the non-eviction status of a plan to convert to cooperative or condominium ownership.

(b) Occupancy by owner or immediate family--The owner seeks in good faith to recover possession of a dwelling unit for his own use and occupancy or for the use and occupancy of his immediate family; the term "immediate family" includes a husband, wife, son, daughter, stepson, stepdaughter, father, mother, father-in-law or mother-in-law.

(c) Withdrawal from the rental market--The owner establishes to the satisfaction of the CAB, after a hearing and under such conditions and terms as the CAB may set, that he seeks in good faith to withdraw occupied dwelling units from the rental market; and

(1) The owner (i) seeks in good faith to recover possession of the dwelling units for the purpose of demolishing them and constructing a new building or for the purpose of substantial demolition of the interior of the building or in order to make major alterations and perform substantial rehabilitation of the building, (ii) has obtained approved plans therefore and (iii) has agreed that the new dwelling unit will be subject to the provisions of the RSL at the vacancy rental or other lawful rental;

(2) That he requires all or part of the dwelling units or the land for his own use in connection with a business which he owns or operates; or

(3) That substantial violations which constitute fire hazards or conditions dangerous or detrimental to the life or health of the tenants have been filed against the structure containing the dwelling units by City agencies having jurisdiction over such matters and that the cost of removing such violations would substantially equal or exceed the assessed valuation of the structure; or

(4) Where the owner is a hospital, convent, asylum, public institution, college, school or any institution operated exclusively for charitable or educational purposes on a non-profit basis, that the owner requires the dwelling units or the land for its own use in connection with its charitable or educational purposes; on condition that the owner

(i) proves that it has plans which require the removal of the tenant, and (ii) proves that it has the finances available if needed to utilize the premises for the purpose claimed, and (iii) is prepared to offer the tenants and will pay them on vacating as compensation for their removal the stipend they would have received for self-relocation if the premises were under rent control.

(d) Where an owner refuses to renew or extend pursuant to (a) or (b) of this Section, he shall, in any proceeding instituted to remove the tenant in occupancy, plead and prove his right to refuse a lease or continue the tenancy pursuant to the terms and conditions of this Code.

Section 52. CONVERSION TO COOPERATIVE OR CONDOMINIUM OWNERSHIP--(a)

An owner of a structure containing dwelling units subject to this Code may refuse to renew tenancies or offer leases for such dwelling units when:

(1) The Attorney General of the State of New York has accepted for filing an offering plan to convert the building to cooperative or condominium ownership, and

(2) The owner has presented the offering plan to tenants in occupancy, and

(3) The owner has filed a copy of the accepted offering plan with the Department of Housing Preservation and Development, and

(4) The plan provides:

(i) The plan will not be declared effective by the owner (sponsor) unless and until either

a. 35 per cent of all tenants in occupancy at the time the plan is declared effective have agreed to purchase either their dwelling units or the stock entitling them to proprietary leases for their dwelling units, or a dwelling unit which became vacant after the plan was presented to the tenants, provided that as to any plan declared effective after July 5, 1979, such 35 per cent shall be 35 per cent of the tenants in occupancy on the date the plan is accepted for filing by the Attorney General and non-purchasing tenants who are granted rights of continued occupancy by reason of their ages or the ages of their spouses shall not be included in the base for computing such percentage, and further provided that as to any plan on file with the Attorney General pending on June 30, 1980 but not yet declared effective and every plan filed thereafter, and non-purchasing tenants who are granted rights of continued occupancy because of their anatomical, physiological or psychological abnormalities and their spouses shall not be included in the base for computing such percentage, or

b. in any case in which the provisions of paragraph (vii) below shall apply, the owner (sponsor) makes the election therein provided and offers leases in accordance with the terms thereof, provided that as to any such plan declared effective after July 5, 1979, such plan must grant rights to senior citizens in accord with the provisions of Section 352-eeee of the General Business Law and as to any such plan on file with the Attorney General pending on June 30, 1980 but not yet declared effective and every plan filed thereafter, such plan must grant rights to eligible handicapped persons in accord with the provisions of Section 352-eeee of the General Business Law.

(ii) A permanent tenant in occupancy at the time of the offering shall have the exclusive right to purchase his dwelling unit or the shares allocated thereto for 90 days after the offering, during which time his dwelling unit shall not be shown to a third party unless he has, in writing, waived his right to purchase.

(iii) Subsequent to the expiration of the 90 day exclusive right to purchase set forth above, a permanent tenant in occupancy of a dwelling unit who has not purchased will be given the exclusive right for an additional period of six months from said expiration date to purchase said dwelling unit or shares allocated thereto on the same terms and conditions as contained in an executed contract to purchase made between the sponsor and a bona fide purchaser. Such tenant must be given 15 days in which to exercise such right to purchase from the date of mailing by registered mail of notification of the execution of a contract of sale, which notification shall contain a copy of said executed contract.



(iv) During the period that the permanent tenant has the exclusive right to purchase his dwelling unit or the shares allocated thereto, or until the plan is declared effective, whichever is later, he shall be entitled to remain in possession without any increase in his rent, although his lease may have expired. Thereafter, unless a tenant is granted right of continued occupancy under the plan or the plan otherwise so provides if he has not purchased, he may be removed by the owner or a purchaser of the dwelling unit or proprietary lessee entitled to possession of such dwelling unit.

(v) If the permanent tenant's lease expires after the period during which he otherwise has the right to remain in possession, as hereinabove provided, he shall not be required to vacate his dwelling unit until the expiration of his lease, provided that a tenant granted rights of continued occupancy under the plan shall not be so required to vacate unless, in any case, such lease is terminated in accordance with Section 50.

(vi) If the plan has not been declared effective within eighteen months from the date of the mailing of the plan to the permanent tenants, it will be declared abandoned, and, if the plan is abandoned or is not declared effective within such eighteen month period, the permanent tenants then in possession shall have the right to demand leases or continue their tenancies on the terms and conditions heretofore set forth in the law and regulations.

(vii) If, on the date of presentation of the plan, not more than 10 per cent of all dwelling units in the building are occupied dwelling units covered by this Code, the owner (sponsor) may provide in the plan that it reserves the right, exercisable at any time within 18 months from the date of presentation of the plan, to elect to offer to each tenant in occupancy of a dwelling unit covered by this Code on the date of such election, a 1, 2 or 3 year renewal or new lease at each such tenant's option to be exercised within 60 days: (a) at the rent then being paid by such tenant and otherwise upon applicable terms and provisions contained in the tenant's existing or last expired lease; or (b) in the case of any tenant who did not execute a lease during the 5 year period prior to the date of the plan, upon terms and provisions consistent with those contained in a majority of leases actually made for dwelling units, in the building during such 5 year period, and consistent with increases, if any, authorized by the Rent Guidelines Board.

If the owner (sponsor) elects to offer leases as aforesaid and if any tenant to whom such offer is made exercises his option but thereafter fails to execute such renewal or new lease within sixty (60) days after receipt of such lease from the owner (sponsor), or if any such tenant executes such new or renewal lease and the term of such lease expires in accordance with its terms, unless a tenant is granted rights of continued occupancy under the plan, the tenant shall have no further right under this Code to occupy the dwelling unit and may be removed by the owner (sponsor) or a purchaser of the dwelling unit or proprietary lessee entitled to possession of such dwelling unit.

Nothing contained in this paragraph (a)(vii) shall deprive a tenant of any rights which he may have under a lease in effect on the date of presentation of the plan.

(viii) (a) If after an offering plan is presented to the tenants, it is substantially amended prior to becoming effective, the time periods set forth in this Section shall be extended from the date such amended offering plan is presented to the tenants, as follows:

- (1) For 30 days after such date, a tenant in occupancy shall have the exclusive right to purchase on such amended terms, during which time his dwelling unit shall not be shown to a third party unless he has, in writing, waived his right to purchase, which 30 day period shall not operate to shorten the 90 day period provided under paragraph (a)(4)(ii) above; and
- (2) For an additional period of 30 days thereafter, the tenant shall have the rights provided under paragraph (a)(4)(iii) above, which 30 day period shall not operate to shorten the 6 month period provided under that paragraph.

(b) "Substantial amendment" shall include but not be limited to: an increase or decrease in the mortgage amount or cash purchase price, an increase in the working capital or reserve fund, agreement by the sponsor to make additional repairs or improvements, or to repurchase dwelling units, or the offer of new or better terms for financing the purchase price of dwelling units.

(c) Nothing contained in this subsection shall extend the 18 month period in which the plan must be declared effective as provided in paragraph (a)(4)(vi) above.

(b) This Section shall only apply to permanent tenants including those whose units are occupied by legal subtenants and shall not be applicable to tenants who occupy their dwelling unit for the first time after the presentation of the plan or to subtenants.

(c) Notwithstanding anything contained herein to the contrary, any lease executed after notice to the Department of Housing Preservation and Development that a proposed cooperative or condominium plan has been submitted to the Attorney General may contain a provision that the lease may be cancelled after 90 days' notice to the tenant that the plan has been declared effective, provided that such provision shall state that leases to tenants granted rights of continued occupancy under the plan who elect not to purchase may not be cancelled. Following submission of the plan of cooperative or condominium ownership to the tenant after acceptance by the Attorney General, no increase in rent may be collected thereafter pursuant to a lease containing such provision; an increase may be collected from a tenant granted rights of continued occupancy under the plan who elects not to purchase and to remain in occupancy from the date of such election.

(d) If the plan is declared effective, the owner (sponsor) shall immediately file a sworn statement with the Department of Housing Preservation and Development stating the total number of dwelling units involved in computing the required percentage, and the names and dwelling units of the purchasers who were permanent tenants and of permanent tenants who elected not to purchase because of rights of continued occupancy granted by the plan.

PART VIII  
PROHIBITIONS

Section 60. EVASION OF CODE--The provisions of this Code shall not be evaded, either directly or indirectly. An owner shall not, in connection with the renting, leasing or the transfer of a lease of dwelling units, require a tenant to pay or obligate himself for membership or other fees, or modify practices relating to payment of commissions or other charges, or modify the services furnished or required to be furnished with the dwelling units.

Section 61. LEASE TERM RELATING TO CANCELLATION OR EVICTION--No lease offered to a tenant subject to this Code shall contain any right of cancellation or eviction by the owner during the term thereof unless permitted under the RSL or this Code.

Section 62. HARASSMENT--(a) An action, direct or indirect, to remove a tenant from a dwelling unit covered by this Code, other than as permitted under Section 50, 51 or 52 of this Code, shall constitute harassment.

(b) Any tenant who has vacated his housing accommodation because the owner or any person acting on his behalf, with intent to cause the tenant to vacate, engaged in any course of conduct (including but not limited to, interruption or discontinuance of required services) which interfered with or disturbed or was intended to interfere with or disturb the comfort, repose, peace or quiet of the tenant in his use and occupancy of the housing accommodations, may, within ninety days after vacating, apply to the CAB for a determination that the housing accommodations were vacated as a result of such conduct, and may within such time as prescribed by law, institute a civil action against the owner by reason of such conduct.

Section 63. DENIAL OF LEASE--No owner shall deny a lease to a tenant who has requested a lease under Section 27 of this Code nor shall an owner remove or exclude such a tenant from possession, except on one or more of the grounds specified in this Code or in the Real Property Actions and Proceedings Law.

Section 64. RETALIATORY ACTION--No person shall remove or attempt to remove any tenant from any dwelling unit covered by this Code :

or shall refuse any lease or agreement for the use of such dwelling unit because such tenant has taken or proposes to take action required or authorized by the RSL, this Code, the Real Property Actions and Proceedings Law or the Administrative Code of the City of New York.



## EXPLANATORY STATEMENT

The Hotel Stabilization Code, which sets forth the rights and obligations of occupants and owners of over 30,000 hotel units in the City of New York was first promulgated in 1969. Since then, there have been only a few minor amendments, the last one occurring in 1972. Several years ago, the METHISA and various tenant representatives recommended to HPD amendments to basically update this Code. After numerous reviews and revisions, a proposed amended Code containing major substantive changes in the Code was published in the City Record for comment on October 13 and November 4, 1981 and a public hearing was held on November 17, 1981. As a result of comments that were received, further substantive revisions were made and a second proposed amended Code was published in the City Record on May 10 and May 24, 1982.

The amended Code which is now being promulgated therefore reflects not only an updating to incorporate changes in the laws covering hotel occupants, but major reforms in clarifying the rights of hotel, rooming house and SRO tenants, requiring notice to tenants of those rights, and a reorganization of the Code to make it a more understandable document. While it does not incorporate all the changes requested during the public comment period, it addresses substantially all of the major issues brought to our attention. It is important that we officially implement those reforms by promulgating this amended Code at this time while we continue to review and evaluate other requested changes based on our experience with the impact of these major amendments.

Among the more significant changes contained in this Code are:

1. A new definition of the term "hotel" that requires the owner to actually provide customary hotel services instead of merely claiming that they are available in order to take advantage of the benefits under the Code such as market rents on each new occupancy, annual rent increases authorized by the Rent Guidelines Board and not having to offer tenants the option of one-, two- or three-year leases.
2. Under this amended Code, a hotel occupant has the right to request a lease for at least a six month term at any time and thereby become a permanent tenant if he or she chooses. The lease must contain a rider describing the tenant's rights under the Hotel Code. Under the old Code, if a tenant did not request a lease within 30 days after entering into occupancy, he or she could not become a permanent tenant until after six months of continuous occupancy and the owner was not obligated to provide a lease.
3. An owner, under this amended Code, is required to give a notice setting forth the rent, the hotel services provided and other rights of the tenant when he or she first takes occupancy of a unit covered by this Code and tenants now in occupancy must be given this statement within 60 days after this amended Code is promulgated. This statement must be signed by both the tenant and the owner or his agent and kept on file by the owner during the tenancy and for at least one year thereafter. No longer will a tenant move into what he or she thinks is an apartment only to find out later that the owner considers it to be a hotel.

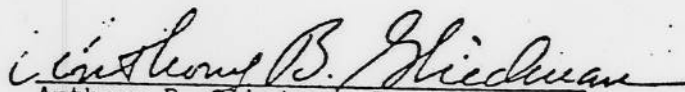
4. The public comments about owners who subject hotel tenants to frequent moves within a hotel while renovations are being made is addressed under this amended Code by limiting the number of tenant moves for the convenience of the owner to not more than two in any two year period. Any such moves by the tenant does not affect any of his or her rights under this Code. Even if a hotel tenant chooses to move within a hotel for their own convenience, they can become a permanent tenant of their new unit merely by requesting a lease.

A number of other public comments did not require changes in the Code. For example, the Conciliation and Appeals Board will be accepting and deciding complaints of tenants covered under this Code about the failure of owners to provide hotel services which could result in their expulsion from the Hotel Industry Association. This will lead to individual units or entire structures being reclassified as being subject to either the Rent Stabilization Association Code or to the Rent Control Law. The Rent Guidelines Board, in its Hotel Order No. 12, effective July 1, 1982, stated that the guidelines increases permitted by that Order cannot take effect prior to the anniversary date of the tenant's occupancy where the tenant has no lease or other rental agreement. This eliminates the situation where a tenant moves in on June 1 and is required to pay a guidelines increase on July 1.

As previously noted, there were public comments that were not incorporated into this amended Code which we are continuing to analyze for further amendments. We will be reviewing and evaluating the effect of those major reforms contained in this Code which we feel provides a much clearer and responsive basis on which to protect and enforce tenants rights and punish unscrupulous owners without adversely affecting law-abiding owners. Further amendments will be made as necessary to further assure that this important segment of the City's housing stock receive the benefits intended under the underlying Rent Stabilization Law as it relates to hotels, rooming houses and SROs.

I do hereby certify that good cause exists for waiving the requirement that thirty days shall first elapse after publication in THE CITY RECORD and that the foregoing Amendment shall become effective on the date of publication.

Approved on this 15 day of July, 1982.

  
Anthony B. Giedman, Commissioner  
Department of Housing Preservation  
and Development

Filed with the City Clerk on July 16, 1982.