

SENATE BILL 6959

ASSEMBLY BILL

6959

1983-1984 Regular Sessions

IN SENATE

June 26, 1983

Introduced by Sens. DALY, PADAYAN -- read twice and ordered printed; and when printed to be committed to the Committee on Rules

AN ACT to amend the emergency tenant protection act of nineteen seventy-four, the administrative code of the city of New York, the civil practice law and rules, the multiple dwelling law, the real property law and the real property actions and proceedings law, in relation to residential tenancies, including rent registration, rent overcharge statutes of limitations and penalties, application of rent regulation to certain buildings owned by certain institutions, hardship increases, subletting and occupancy by persons other than the tenant and the transfer of rent regulation administration to the state division of housing and community renewal; and chapter five hundred seventy-six of the laws of nineteen hundred seventy-four amending the emergency housing rent control law relating to control of and stabilization of rent in certain cases and the emergency tenant protection act, chapter three hundred twenty-nine of the laws of nineteen hundred sixty-three amending the emergency housing rent control law relating to reconrol of rent in certain cases and chapter two hundred seventy-four of the laws of nineteen hundred forty-six, amending the emergency housing rent control law, in relation to the effective dates of such chapters and repealing sections Y51-13.0, Y51-14.0 and Y51-15.0 of such code relating to transition provisions for nineteen hundred sixty-two and section YY51-4.0 of such code relating to real estate industry stabilization associations and section two hundred twenty-six-b of the real property law relating to right to sublease and making an appropriation

IN THE ASSEMBLY BY: RULES (GRANNIS) A. 8203

Bill compared by

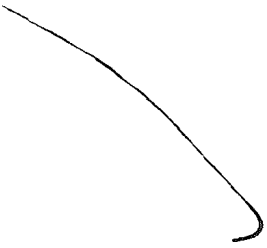
DATE RECEIVED BY GOVERNOR:

ACTION MUST BE TAKEN BY:

GOVERNOR'S ACTION:

DATE 6/30

Memorandum No.



625103

SENATE VOTE ___ Y ___ N

HOME RULE MESSAGE ___ Y ___ N

Date _____

Bill is disapproved

ASSEMBLY VOTE ___ Y ___ N

Date _____

Counsel to Governor

1983

3 DAY MESSAGE
C-403

SENATE JOURNAL
JUN 26 1983
PAGE 112

SENATE

The Senate Bill
by Mr. ~~DALY~~
Entitled: "

Calendar No. 1820

Senate No. 6959
Assem. Rept. No.

6959

ation of rent in certain cases and the emergency tenant protection act, chapter three hundred twenty-nine of the laws of nineteen hundred sixty-three amending the emergency housing rent control law relating to reconrol of rent in certain cases and chapter two hundred seventy-four of the laws of nineteen hundred forty-six, amending the emergency housing rent control law in relation to

No. 1 (THREE DAY MESSAGE OF GOVERNOR) DEBATE WAS HAD THEREON

The President put the question whether the Senate would agree to final passage of said bill, and the facts which necessitate an immediate vote thereon having been certified by the Governor, the same being upon the desks of the members in final form, it was decided in the affirmative, a majority of all the members elected voting in favor thereof and three-fifths being present as follows:

AYE	Dist.		NAY	AYE	Dist.		NAY
_____	51	Mr. Anderson		_____	28	Mr. Leichter	
_____	48	Mr. Auer		_____	8	Mr. Levy	
_____	17	Mr. Babbush		_____	49	Mr. Lombardi	
_____	46	Mr. Barclay			24	Mr. Marchi	EXCUSED
_____	20	Mr. Bartosiewicz		_____	5	Mr. Marino	
_____	9	Mrs. Berman		_____	21	Mr. Markowitz	
_____	33	Mr. Bernstein	_____	_____	58	Mr. Masiello	
_____	29	Mr. Bogues		_____	30	Mrs. Mendez	
_____	43	Mr. Bruno			23	Mr. Montalto	_____
_____	34	Mr. Calandra		_____	42	Mr. Nolan	
_____	25	Mr. Connor		_____	27	Mr. Ohrenstein	
_____	40	Mr. Cook		_____	11	Mr. Padavan	
_____	61	Mr. Daly		_____	54	Mr. Perry	
_____	47	Mr. Donovan		_____	36	Mr. Pisani	
_____	3	Mr. Dunne		_____	56	Mr. Present	
_____	44	Mr. Farley		_____	50	Mr. Riford	
_____	60	Mr. Floss		_____	41	Mr. Rolison	
_____	35	Mr. Flynn		_____	32	Mr. Ruiz	
_____	31	Mr. Galiber	_____	_____	39	Mr. Schermerhorn	
_____	14			_____	52	Mr. Smith	
_____	13	Mr. Gold			19	Mr. Solomon	_____
_____	37	Mrs. Goodhue		_____	57	Mr. Stachowski	
_____	26	Mr. Goodman		_____	45	Mr. Stafford	
_____	18	Mr. Halperin			12	Mr. Stavisky	_____
_____	22	Ms. Jefferson		_____	55	Mr. Steinfeldt	
_____	10	Mr. Jenkins	_____	_____	3	Mr. Trunzo	
_____	4	Mr. Johnson	_____	_____	7	Mr. Tully	
_____	53	Mr. Kehoe		_____	59	Mr. Volker	
_____	15	Mr. Knorr		_____	16	Mr. Weinstein	
_____	2	Mr. Lack		_____	38	Mrs. Winikow	
_____	1	Mr. LaValle					

000003

AYES 51
NAYS 7

Ordered, that the Secretary deliver said bill to the Assembly and request its concurrence therein.

L: S8950(48203)

R.R. NO: 1377 SPONSOR: DALY--

AN ACT TO AMEND THE EMERGENCY TENANT PROTECTION ACT OF NINETEEN SEVENTY-
 2, THE ADMINISTRATIVE CODE OF THE CITY OF NEW YORK, THE CIVIL PRACTICE LAW
 RULES, THE MULTIPLE DWELLING LAW, THE REAL PROPERTY LAW AND THE REAL
 ESTATE ACTIONS AND PROCEEDINGS LAW, IN RELATION TO RESIDENTIAL TENANCIES,
 INCLUDING RENT REGISTRATION, RENT OVERCHARGE STATUTES OF LIMITATIONS AND PENAL-
 TIES, APPLICATION OF RENT REGULATION TO CERTAIN BUILDINGS OWNED BY CERTAIN
 INSTITUTIONS, HARDSHIP INCREASES, SUBLETTING AND OCCUPANCY BY PERSONS OTHER
 THAN THE TENANT...

EA	ABRAMSON, E*	YEA	HALPIN, FG*	YEA	PAROLA, FE
NY	BARBARO, FJ*	YEA	HANNON, K	YEA	PASSANNANTE, WF*
EA	BARNETT, HW	YEA	HARENBERG, PE*	YEA	PATTON, BA*
NY	BARRAGA, TF	YEA	HARRIS, GH	NAY	PAXON, LW
EA	BECKER, GR	YEA	HARRISON, J*	YEA	PERONE, JM
NY	BEHAN, JL	YEA	HAWLEY, RS	YEA	PILLITTERE, JT*
EA	BENNETT, LE*	YEA	HEALEY, PB	YEA	PORDUM, FJ*
EA	BIANCHI, IN*	YEA	HEVESI, AG*	NAY	PROUD, G*
EA	BOYLAND, HF*	YEA	HIKIND, D*	YEA	RAPPLEYEA, CD
EA	BRAGMAN, MJ*	YEA	HINCHEY, MD*	NAY	RETTALIATA, AP
EA	BRANCA, JR*	NAY	HOBLOCK, MJ	NAY	RIVERA, J*
EA	BRODSKI, RL*	YEA	HOCHBRUECKNER, GJ*	NAY	ROBACH, RJ*
EA	BURROWS, GW	NAY	HOYT, WB*	YEA	ROBLES, VL*
EA	BUSH, HE	YEA	JACOBS, RS*	NAY	RUGGIERO, RS*
EA	BUTLER, DJ*	NAY	JENKINS, C*	NAY	RYAN, AW
EA	CASALE, AJ	YEA	KEANE, RJ*	YEA	RYAN, WJ*
EA	CATAPANO, TF*	NAY	KELLEHER, NW	NAY	SALAND, SM
NY	CHESBRO, RT	YEA	KOPPELL, GO*	NAY	SANDERS, S*
EA	COCHRANE, JC	YEA	KREHER, AJ*	NAY	SAWICKI, J
EA	CONNELLY, EA*	YEA	KUHL, JR	YEA	SCHIMMINGER, RL*
EA	CONNERS, RJ*	YEA	LAFAYETTE, IC*	YEA	SCHMIDT, FD*
EA	CONNOR, RJ*	YEA	LANE, CD	ABS	SEARS, WR
EA	COOKE, AT	YEA	LARKIN, WJ	YEA	SEMINERIO, AS*
NY	COOMBE, RI	YEA	LASHER, HL*	YEA	SERRANO, JE*
EA	DANATO, AP	YEA	LEIBELL, VL	YEA	SHEFFER, JB
NY	DANDREA, RA	YEA	LENTOL, JR*	YEA	SIEGEL, MA*
EA	DANIELS, GL*	YEA	LEVY, E	YEA	SILVER, S*
NY	DAVIS, G*	YEA	LIPSCHUTZ, GE*	YEA	SLAUGHTER, LM*
NY	DEARIE, JC*	YEA	MACNEIL, HS	YEA	SPANO, NA
EA	DEL TORO, A*	YEA	MADISON, GH	YEA	STRANIERE, RA
EA	DIAZ, HL*	NAY	MARCHISELLI, VA*	YEA	SULLIVAN, EC*
NY	DUANE, JF*	YEA	MARSHALL, HM*	YEA	SULLIVAN, PM
EA	DUGAN, EC*	NAY	MAYERSOHN, N*	YEA	TALLON, JR*
NY	ENGEL, EL*	YEA	MCCABE, JW*	YEA	TALOMIE, FG
DR	EVE, AO*	NAY	MCCANN, JW	YEA	TEDISCO, J
EA	FARRELL, HD*	YEA	MCNULTY, MR*	YEA	TONKO, PD*
EA	FELDMAN, D*	YEA	MCPHILLIPS, MM*	YEA	VANN, A*
NY	FERRIS, J*	NAY	MILLER, HM	YEA	VITALIANO, EN*
NY	FLANAGAN, JJ	YEA	MILLER, MH*	YEA	WALDON, AR*
NY	FREDA, L*	YEA	MURPHY, MJ*	YEA	WALSH, DB*
NY	FRIEDMAN, G*	YEA	MURTAUGH, JB*	ABS	WARREN, GE
NY	GANTT, DF*	YEA	NADLER, J*	YEA	WEINSTEIN, HE*
EA	GOLDSTEIN, R*	YEA	NAGLE, JF	YEA	WEFRIN, S*
EA	GOFSKI, DT*	NAY	NEWBURGER, MW*	NAY	WERTZ, RC
EA	GOTTFRIED, RN*	YEA	NORMAN, C*	NAY	WESLEY, RC
EA	GRABER, VJ*	YEA	NORTZ, HR	YEA	WILSON, CE*
EA	GRANNIS, A*	NAY	NOZZOLIO, MF	ABS	WINNER, GH
EA	GREEN, FL*	NAY	ONEIL, JG	YEA	YEVOLI, LJ*
NY	GREENE, AE	NAY	ORAZIO, AF*	YEA	ZIMMER, MN*
EA	GRIFFITH, E*	YEA	PARNENT, WL*		MR. SPEAKER*

YEAS: 105

NAYS: 40

000004

TROL: 80239332

CERTIFICATION: _____

END: YEA=YES, NAY=NO, NV=ABSTAIN, ABS=ABSENT,
 ELB=EXCUSED FOR LEGISLATIVE BUSINESS, EOR=EXCUSED FOR OTHER REASONS.

Title of Bill:

AN ACT to amend the emergency tenant protection act of nineteen seventy-four, the administrative code of the city of New York, the civil practice law and rules, the multiple dwelling law, the real property law and the real property actions and proceedings law, in relation to residential tenancies, including rent registration, rent overcharge statutes of limitations and penalties, application of rent regulation to certain hotels and buildings owned by certain institutions, hardship increases and vacancy allowances, subletting and occupancy by persons other than the tenant and the transfer of rent regulation administration to the state division of housing and community renewal; and chapter five hundred seventy-six of the laws of nineteen hundred seventy-four amending the emergency housing rent control law relating to control of and stabilization of rent in certain cases and the emergency tenant protection act, chapter three hundred twenty-nine of the laws of nineteen hundred sixty-three amending the emergency housing rent control law relating to recontrol of rent in certain cases and chapter two hundred seventy-four of the laws of nineteen hundred forty-six, amending the emergency housing rent control law, in relation to the effective dates of such chapters and repealing sections Y51-13.0, Y51-14.0 and Y51-15.0 of such code relating to transition provisions for nineteen hundred sixty-two and section YY51-4.0 of such code relating to real estate industry stabilization associations and section two hundred twenty-six-b of the real property law relating to right to sublease and making an appropriation therefor

JUL 22 1983

Purpose or General Idea: To address the outstanding issues facing the tenant/landlord relationship statewide.

Summary of Specific Provisions:1) STATE TAKEOVER

The State Division of Housing would assume administration of the Rent Stabilization and Rent Control systems effective April 1, 1984. The Division would assume the regulatory functions of the Conciliation and Appeals Board and the City's Housing Department and would replace the Rent Stabilization Association as the receiver of landlord fees. The City would continue to have approval power over the Rent Stabilization Code. District rent control offices would remain intact and would be combined with new district rent stabilization offices. Present employees of the two systems would be protected.

2) RENT REGISTRATION/PENALTIES FOR OVERCHARGES

Landlords would be required to register the rents of all stabilized apartments by July 1, 1984 and tenants would have 90 days to challenge the legality of the initial registered rent. Subsequent to initial registration, landlords would be required to file annual updates. Landlords would be liable for penalties equal to three times the amount of any willful rent overcharge which occurred after April 1, 1984. Recovery of treble damages would be subject to a two year statute of limitations for overcharges taking place after April 1st and recovery of overcharges plus interest would be subject to a four year limitation. Tenants would have until April 1st to continue to file claims for rent overcharges under the present system i.e. without regard to any statute of limitations.

3) OWNER OCCUPANCY EVICTIONS

Landlords seeking to recover rent stabilized apartments at the end of the lease term would be prohibited from evicting senior citizens or disabled persons for the landlord's personal use and could only recover possession of an apartment if it was to be their primary residence in New York City. Only one owner per building could recover possession on the grounds of personal use. Landlords violating these provisions would face the penalty of a three year loss of any rent increases for the entire building.

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4) TENANTS OF INSTITUTIONAL LANDLORDS (Slavin v. Syracuse)

Tenants in buildings owned by institutional landlords would be protected by rent stabilization. Institutions would be barred from evicting tenants for purposes of an institution's residential use if the tenant had either lived in the building before the institution's ownership or had moved in subsequent to ownership, lived in the building for five years and had not been explicitly informed upon initial occupancy of the institution's right to evict.

5) RENT STABILIZATION FOR APARTMENT-HOTELS

The Division would be given clear authority to determine the exact regulatory status of any unit currently classified as a hotel.

6) ROOMMATES (HUDSON VIEW PROPERTIES v. WEISS)

Incorporates the substance of the Joint Occupancy Protection Act (JOPA), prohibiting lease clauses limiting occupancy to one person and clarifying the status of persons sharing apartments.

7) SUBLETTING

Tenants would be given the right to sublet their apartments for two out of any consecutive four year period, if this test is met, the sublet term may exceed the end of the lease. Lease assignments would be at the discretion of the landlord. Triple damage penalties would apply to willful overcharges of subtenants by prime tenants.

8) SURCHARGES AND PASSALONGS

Rent Guidelines Boards would be prohibited from imposing surcharges or pass-alongs on rent stabilized apartments. Tenants would have the option of a one or two year lease.

9) HARASSMENT

The Division would be empowered to impose administrative penalties of up to \$1,000 for a first offense and \$2,500 for any subsequent offense for landlords found guilty of tenant harassment. Penalties are also provided for other violations.

10) WARRANTY OF HABITABILITY

An owner would be granted a limited exemption from the Warranty of Habitability Law in the special cases where after a good faith effort such owner could not comply with the law's provisions solely because of a labor strike beyond his or her control. Any cost savings realized by the landlord as a result of such a strike would have to be passed on to tenants as a matter of right.

11) HOUSING COURT DEPOSITS

In cases where a tenant had requested two adjournments during a non-payment proceeding, a judge could require that a tenant deposit future rent with the Court. This could not be required if there was an outstanding immediately hazardous building code violation in either the tenant's apartment or building. Landlords would be subject to penalties for dilatory abuses or adjournments.

12) HARDSHIP RENT INCREASES

Landlords of stabilized apartments would be entitled to a hardship rent increase if they did not earn 5% of their rent roll after payment of actual, reasonable costs for operation, maintenance and mortgage interest. Any such hardship increase could not exceed 6% of each tenant's existing rent payment. To be eligible to apply for a hardship, an owner must have owned his building for at least three years and would be limited to only one such application in any three year period.

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Effects of Present Law which This Bill would AlterEmergency Tenant Protection Act of 1974 (Chap. 576)

§6 of §4, §8, §12, §13, §454, §5 and §10 are amended.

§4, subdivision d and §10-a are added.

New York City Administrative Code

§Y51-4.0, §X51-13.0, §Y51-14.0 and §Y51-15.0 are repealed.

§Y51-4.1.1, §Y51-6.0, §Y51-6.0.1, §Y51-6.0.2, §Y51-6.0.3, §Y51-3.0, §Y51-4.0, §Y51-5.0, §Y51-17.0, §Y51-3.1, §Y51-3.0, §Y51-3.3, and §Y51-5.0 are amended.

§Y51-6.0.5, §Y51-6.0.6 and §Y51-6.0.4 are added.

Civil Practice Law and Rules

§213 is amended and § 213-a is added.

Multiple Dwelling Law

§328 is amended.

Real Property Law

§226-b is repealed and a new §226-b is added.

§235-b is amended and §235-f is added.

Real Property Actions and Proceedings

§745 is amended.

Emergency Housing Rent Control Law

Chap. 576/74 - §17 is amended.

Chap. 329/63 - §2 is amended.

Chap. 274/46 - §1 is amended.

Prior Legislative History: NEW BILL.

Fiscal Implications for State and Local Government:

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STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

JUN 30 1983

MEMORANDUM filed with Senate Bill Number 6959, entitled:

CHAPTER
403

"AN ACT to amend the emergency tenant protection act of nineteen seventy-four, the administrative code of the city of New York, the civil practice law and rules, the multiple dwelling law, the real property law and the real property actions and proceedings law, in relation to residential tenancies, including rent registration, rent overcharge statutes of limitations and penalties, application of rent regulation to certain buildings owned by certain institutions, hardship increases, subletting and occupancy by persons other than the tenant and the transfer of rent regulation administration to the state division of housing and community renewal; and chapter five hundred seventy-six of the laws of nineteen hundred seventy-four amending the emergency housing rent control law relating to control of and stabilization of rent in certain cases and the emergency tenant protection act, chapter three hundred twenty-nine of the laws of nineteen hundred sixty-three amending the emergency housing rent control law relating to recontrol of rent in certain cases and chapter two hundred seventy-four of the laws of nineteen hundred forty-six, amending the emergency housing rent control law, in relation to the effective dates of such chapters and repealing sections Y51-13.0, Y51-14.0 and Y51-15.0 of such code relating to transition provisions for nineteen hundred sixty-two and section YY51-4.0 of such code relating to real estate industry stabilization associations and section two hundred twenty-six-b of the real property law relating to right to sublease and making an appropriation"

APPROVAL # 23

A P P R O V E D

This bill would extend the provisions of the Emergency Housing Rent Control Law and Emergency Tenant Protection Act of 1974 for an additional two years until May 15, 1985.

It would provide tenants with substantial additional protections: State administration of rent regulation, rent registration, treble damages for rent overcharges, large fines for harassment of tenants, limits on rent increases during the lease term, restrictions on evictions for unrelated occupants, the imposition of rent stabilization on not-for-profit institutions in some cases and protection for the elderly and handicapped subject to eviction for the owner's personal use.

The bill also contains reforms for landlords: a limit on the recovery of rent overcharges to four years, an elimination of three year leases, a prohibition against assignments of leases, restrictions on subleases, a restoration of evictions for the owner's personal use and an easier hardship formula for rent increases.

The inadequate supply of affordable rental housing remains a major problem for New Yorkers, particularly those residing in New York City and its suburban counties. The State has long held that, under such circumstances, government regulation of rents and other areas of the landlord-tenant relationship is necessary and proper. However, as conditions change, new circumstances warrant different approaches to the problem rather than simple extensions of existing law. This bill provides a comprehensive approach to the situation and, for this reason, must be endorsed.

Under the provisions of this bill, tenants would be afforded a number of crucial protections and benefits that previously were either absent from the law or were restricted by court rulings. At the same time, the legislation recognizes the legitimate interests of landlords in several key areas. The public as a whole will be well served by administration of all rent control and stabilization -- for the first time -- under one roof.

Although this bill does not incorporate all of the provisions of the Flynn-Dearie proposal, I believe that it clearly addresses the most important elements of the tenants' agenda in this area. All should recognize the significant progress made by this important legislation.

The Division of Housing and Community Renewal and Mayor of the City of New York recommend approval of the bill.

The bill is approved.

6959

C-403



THE ASSEMBLY
STATE OF NEW YORK
ALBANY

CHAIRMAN
COMMITTEE ON HOUSING

(ALEXANDER B.) PETE GRANNIS
65th Assembly District
New York County

1672 First Avenue
New York, New York 10028
(212) 860-4906

Legislative Office Building
Room 522
Albany, New York 12248
(518) 455-5676

June 30, 1983

Hon. Alice Daniel
Counsel to the Governor
Office of the Governor
Executive Chambers
State Capitol Building
Albany, New York 12224

RE: A.8203/S.6959

Dear Ms. Daniel:

The Governor has before him the above bill which I sponsored in the Assembly, to extend the ETPA and address a number of related housing issues.

In addition to urging the Governor to sign the bill, I wish to stress several items of legislative intent in this complex package:

1. Section 49 and Section 55 of the bill establish an alternative hardship formula to the existing formulas which are, for the most part, unworkable. It is designed to assist those owners whose buildings have become unprofitable through a legitimately required refinancing or any other reason beyond their control. It is not intended to rescue someone who paid more for a building than the rent rolls justified, someone who simply made a bad deal. It is intended to aid the long term owner, not the speculator.

The formula, for the first time, realistically factors mortgage interest into an owner's expenses. Strict standards are set for non-institutional financing. It is intended that the cost of non-institutional financing should be essentially equivalent to the institutional financing had such financing been available for the property in question. It is not, however, intended that the inclusion of mortgage interest as an expense will permit an owner to take unreasonable sums out of the property. In general, the hardship formula contemplates broad discretion by the Commissioner to avoid this and other abuses.

The bill contains strong provisions regarding registration of services and expanded enforcement power with respect to services. We expect that the Commissioner will look carefully at the maintenance and services provided in a building before granting

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a hardship increase. The Commissioner will also have to determine whether the imposition of a hardship increase will improve the level of services.

Finally, we would expect the Commissioner and his accounting staff to have broad discretion to examine the expense figures submitted by owners. The figures submitted should be certified if at all possible. We expect that the Commissioner will develop a body of expertise and standards so that expense figures can be carefully scrutinized.

2. Section 40 of the bill amends section 745 of the Real Property Actions and Proceedings Law, adding a new sub-section 2. It is my expectation that under sub-section 2 (d), the courts will hold the owners to the same standards as those imposed on tenants by sub-section 2 (a).
3. Section 50 amends paragraph nine of subdivision c of section YY51-60. Paragraph 9 (c) (1) refers to notice to the tenants of the institution's right to refuse to renew the tenant's lease. It is intended that this notice be part of the lease, that it be an explicit notice, and that the mere fact that the lease was entered into by a non-profit institution is not sufficient notice.
4. Section 54 of the bill amends section four of the ETPA. Subdivision d of section four is intended to preclude the rent guidelines board from re-opening a lease after it has been signed. As a result of this change, the board will not be allowed to pass along an unexpected increase in the cost of fuel or real property taxes for example, to tenants with existing leases, but could only include those changes in its next guidelines order for vacancy and renewal leases.

We realize this legislation contains major changes in the entire rent regulation process. I feel strongly that it will be a positive change, especially if its implementation is handled with sensitivity and concern for the needs and the fears of both landlords and tenants. I look forward to working closely with you to insure the successful implementation of these changes.

Sincerely,



Alexander B. Grannis
Member of Assembly

ABG:bc



C-403

STATE OF NEW YORK
DIVISION OF HOUSING AND COMMUNITY RENEWAL
TWO WORLD TRADE CENTER
NEW YORK, N.Y. 10047

VINCENT J. SAMA
FIRST DEPUTY COMMISSIONER/COUNSEL

(212) 488-4961

June 29, 1983

Richard Higgins, Esq.
Assistant Counsel to the Governor
Room 214
State Capitol
Albany, New York 12224

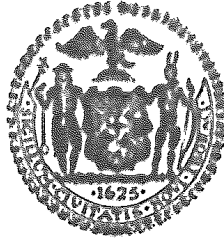
Dear Mr. Higgins:

Pursuant to our conversation of this date, please be advised that the Agency has reviewed and is familiar with Senate Bill Number 6959 and hereby approves same for the Governor's signature.

Very truly yours,

Vincent J. Sama
First Deputy Commissioner/
Counsel

/jg



C-403

THE CITY OF NEW YORK
OFFICE OF THE MAYOR
NEW YORK, N.Y. 10007

June 13, 1983

Governor Mario Cuomo
The Executive Chamber
Capitol
Albany, N.Y. 12224

Dear Governor Cuomo:

As the legislative session approaches its final days, it is essential that the Emergency Tenant Protection Act of 1974 be renewed. This legislation which, amongst other provisions, provides for continuing rent and service regulations for over 700,000 apartments in New York City, must be kept in force to prevent massive dislocation of senior citizens and people of low and moderate income throughout New York City.

I know this is a view that we all share, and that we are all working diligently towards this end. However, it is a law of such vital importance to the continued health and vitality of New York City, that I felt it essential for all of us to put aside whatever minor differences may exist, and to act to extend this law at the earliest possible date.

If I or my Administration can be of any assistance in moving this process towards completion, please be assured of our willingness to do whatever is necessary to maintain this essential law.

Sincerely yours,

Edward I. Koch
MAYOR

Action: 6/17

Eimicke

Info. Photo:

GOVERNOR	X
A. Cuomo	
Burgos	X
Daniel	X
DelGiudice	X
Drago	
Dullea	X
Eimicke	
Finnerty	
Levine	
O'Neill	
Palomino	
Russert	
Ryan	X
Bill JMT	

Referred to:

OUT:

DUE:



S-6959

NEW YORK STATE BUILDERS ASSOCIATION, INC.

Donald Eversoll
PRESIDENT

C-403

Robert A. Wieboldt
EXECUTIVE VICE PRESIDENT

July 1, 1983

RECEIVED AFTER ACTION BY GOVERNOR

Honorable Alice Daniel
Counsel to the Governor
Executive Chamber
State Capitol
Albany, NY 12224

RE: Senate Bill No. 6959

Dear Counsel Daniel:

We oppose the subject bill which would amend the Emergency Tenant Protection Act of 1974 and other statutes in relation to continuing rental regulation on residential units in the New York metropolitan area and those units in the Albany and Buffalo areas which continue under rent regulation. The opposition of this Association and the real estate industry in total to the continuance of rent regulation is well known.

The subject bill takes steps to register rents and provide penalties for rent overcharges. This Association cannot condone the practice of rent overcharging, however justified it is by economic necessity, for it is clearly against the law. We do argue, however, that rent registration is a cumbersome way of achieving improved protection against overcharges. We expect administrative costs to soar unnecessarily and no little degree of chaos to exist during the registration period throughout the metropolitan area.

The subject bill confers several limited benefits to owners of property by lessening restrictions. The requirement for owners to provide tenants with a third year lease is eliminated, but in exchange the flexibility now available to rent guidelines boards to provide for a pass-along of unusual cost increases is taken away. Assignment of leases by tenants are limited. Some protection is provided to tenants seeking apartments and to apartment owners by restrictions on subleasing. The most glaring problem owners have faced with the warranty of habitability law, the liability for diminution of services during strikes, is to some extent mitigated.

6959

112 State Street/Suite 1518

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Hon. Alice Daniel
July 1, 1983
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Lastly, the bill attempts to provide an alternative hardship formula to assist building owners hard-pressed by the refinancing of current mortgages at today's high interest rates. The formula is not adequate and was criticized strongly by the real estate industry advocates throughout the legislative history of the subject bill. We urge the Governor not to believe that this alternative hardship formula in any way addresses the billion dollar problem of the doubling of mortgage principal and interest payment costs in many of the better buildings in the metropolitan area.

We regard the transfer of rent regulatory machinery to the Division of Housing and Community Renewal to be an unnecessary step in the City of New York. The elimination of the Rent Stabilization Association's role in this regard is a major historical transfer of responsibility from a system of landlord-tenant mediation to a bureaucratic function. The transfer will not occur smoothly and will only confuse already maladroit rent administration. Moreover, while we understand the bizarre nature of legislative compromise, the absurdity of having one law administered by two different systems will one day prove to be an unfunny joke. We hope the Division, using its best efforts, may keep the emerging pattern of guidelines and precedents in the regulation systems on the same track.

In conclusion, the only salutary impact of this subject bill on the real estate industry is the fact that it does not spread all the adverse consequences of the rent regulatory system to other areas of the state. The rental housing industry in areas where these systems have been in place has been decimated. Reputable owners are moving toward conversion of their buildings at an unprecedented rate, abandonment accelerates, and real property tax bases shrink. The barrier to investment has become a black cloud upon the entire marketplace. Few are foolhardy enough to construct or finance new rental housing in such an environment.

We urge disapproval.

Respectfully submitted,


Robert A. Wieboldt
Executive Vice President

RAW/mfh

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July 11, 1983

Dear Ed:

Thank you for your letter on the extension of the Emergency Tenant Protection Act. As you know, the measure passed by the Legislature has been signed into law. I am sure we both agree that no legislation as comprehensive as this is completely perfect, but that the measure does represent nonetheless a significant step forward.

Additionally, I would like to take you up on your offer of assistance. As you know, the law calls for state assumption of rent control and stabilization functions, effective April 1, 1984. This transfer will be a difficult administrative task. Any assistance provided by your office, the Department of Housing Preservation and Development, the Office of Management and Budget and other related City agencies will be very much appreciated.

Sincerely,

/s/ MMC

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The Honorable Edward I. Koch
Mayor
Office of the Mayor
New York, New York 10007

cc: Ms. Daniel, Mr. Del Giudice, Dr. Dullea, Ms. Ryan, Bill Jacket
Mr. Eimicke, Mr. Apfel, Files (2)

JA/kpg