



PROPERTY GROUP

PROPOSED RENT ACT OF 2019



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Summary of Proposed Bills

- What
 - Revised rent laws impacting NYS rent regulated units
- When
 - Proposed bills to be voted on and implemented in June 2019
- Who
 - To be voted on by the NYS legislature and most impacted will be tenants, landlords, and stakeholders in the NYS multi-family industry
- Details
 - Over 38 anti-landlords bills have been proposed by NYC City Council. These bills collectively fall within 7 primary categories:
- # 1 Rent Growth Bills
 - There are 7 proposed bills that aim to:
 1. Eliminate MCI'S
 2. Eliminate vacancy decontrol
 3. Eliminate vacancy allowances
 4. Limit your ability to exercise the legal rent during a preferential rent tenancy
 5. Repeal the IAI program which allows landlords to raise the legal rent on vacant unit via apartment renovations and improvements
 6. Expansion of the 1974 Emergency Tenant Protection Act and allow all municipalities across the state regulate rent and evictions when there is a housing emergency, defined by 5% or less vacancy rate.
 7. Prohibit evictions by narrowly defining what constitutes as “good cause” for a landlord to evict.

Categories 2-6

- **#2 Vacate Order & Equity Stake**
 - This proposed bill aims to have the landlord escrow a % of the projected rent for the displaced tenants upon obtaining a vacate order.
- **#3 Leasing**
 - This aims to provide tenants with a 4-year history to a prospective new renter upon apartment lease up.
 - Aims to extend the lookback period for improper deregulation and rent overcharge claims from 4 years to 6 years.
- **#4 Buyout Process**
 - This aims give a tenant who are discussing buyouts a disclosure on the area media rents for like-kind units.
 - 2nd - HPD is to be provided a list of executed buyout agreements per building on a scheduled basis
- **#5 Process Servers**
 - They aim to audit a % of process servers.
- **#6 Violations**
 - DOB and HPD to audit 25% of its self-certified corrections.
 - DOB to distribute copies of any violations to all tenants upon issuance

Category 7

- #7 Construction
 - This category has the most proposed bills.
 - 1. They aim to link HPD violations and building permits. If you have a high violation count, you may not get a building permit
 - 2. They will create greater penalties for failure to accurately list the number of units and occupied units in a building permit application
 - 3. They will increase the penalties for architects who have inaccurate statements on their applications
 - 4. They will increase the penalties on professional firms on errors related to self-certifications
 - 5. Will place a 1-year moratorium on building permits if your application has any false information
 - 6. Tenant protection plan responsibility will be transferred from architect to contractor.
 - 7. aim to have the DOB provide greater scrutiny in reviewing TPP's.
 - 8. Have the DOB permit holder grant access to the inspector as a condition if they want to continue to work and hold the permit
 - 9. They want to create cross agency transparency between HPD/DOB/DOF/DHCR on records and information

The Company



What is STRATCO

STRATCO was formed in 2012 as a response to the glaring need in the market for a specialist who can provide white-glove service in the landlord-tenant relationship. Our clients are owners who don't have the time, resources, experience, and knowledge on how to navigate the dynamics of a building community and the rent regulatory laws. STRATCO functions as an intermediary between property owners and tenants in re-creating a community established on harmony, respect, transparency, and trust. For further information on STRATCO, please go to www.stratcoproperty.com

Disclosure of Services

STRATCO does not serve as an attorney and does not provide legal advice. STRATCO functions as a management consultant on executing highly complex business strategies. STRATCO functions as an intermediary with client's legal counsel in order to effectuate risk mitigation and regulatory compliance.

How STRATCO Can Help You

STRATCO can provide your office with greater detail on how to navigate the enclosed and other opportunities within the industry. For more information, please contact 646-760-9723 or email robert@stratcoproperty.com

Primary Goals Of The 2019 Proposed Bills

