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THE CITY RECORD

MICHAEL R. BLOOMBERG, Mayor

EDNA WELLS HANDY, Commissioner, Department of Citywide Administrative Services.
ELI BLACHMAN, Editor of The City Record.

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PUBLIC HEARINGS AND MEETINGS

See Also: Procurement; Agency Rules

CITY COUNCIL

■ PUBLIC HEARINGS

NOTICE IS HEREBY GIVEN THAT the Council has scheduled the following public hearing on the matters indicated below:

The Subcommittee on Zoning and Franchises will hold a public hearing on the following matters in the Council Committee Room, 250 Broadway, 16th Floor, New York City, New York 10007, commencing at 9:30 A.M. on Monday, August 20, 2012:

DOS TOROS TAQUERIA

MANHATTAN CB - 2 20125522 TCM
Application pursuant to Section 20-226 of the Administrative Code of the City of New York, concerning the petition of 11 Carmine Tacos LLC, d/b/a Dos Toros Taqueria, for a revocable consent to establish, maintain and operate an unenclosed sidewalk café located at 11 Carmine Street.

DOYLE'S CORNER

QUEENS CB - 1 20125699 TCQ
Application pursuant to Section 20-226 of the Administrative Code of the City of New York, concerning the petition of 42-02 Tavern Inc., d/b/a Doyle's Corner, for a revocable consent to establish, maintain and operate an unenclosed sidewalk café located at 4202 Broadway.

BUSCHENSCHANK

BROOKLYN CB - 6 20125549 TCK
Application pursuant to Section 20-226 of the Administrative Code of the City of New York, concerning the petition of Huitres NYC Inc., d/b/a Buschenschank, for a revocable consent to establish, maintain and operate an unenclosed sidewalk café located at 320 Court Street.

GROOVE

MANHATTAN CB - 2 20125689 TCM
Application pursuant to Section 20-226 of the Administrative Code of the City of New York, concerning the petition of Groove Enterprises, Inc., d/b/a Groove, for a revocable consent to continue to maintain and operate an unenclosed sidewalk café located at 125 Macdougall Street.

YERBA BUENA

MANHATTAN CB - 2 20125742 TCM
Application pursuant to Section 20-226 of the Administrative Code of the City of New York, concerning the petition of 1 Perry Street Restaurant Inc., d/b/a Yerba Buena, for a revocable consent to continue to maintain and operate an unenclosed sidewalk café located at 57 Greenwich Avenue. The Subcommittee on Landmarks, Public Siting and Maritime Uses will hold a public hearing on the following matters in the Council Committee Room, 250 Broadway, 16th

Floor, New York City, New York 10007, commencing at 11:00 A.M. on Monday, August 20, 2012:

MIDTOWN WEST EMS STATION

MANHATTAN CB - 4 C 120177 PCM
Application submitted by the Police Department and the Department of Citywide Administrative Services, pursuant to Section 197-c of the New York City Charter, for the site selection and acquisition of property located at 512 West 23rd Street (Tax Map Block 694, Lot 40), for use as an ambulance station.

P.S. 339-QUEENS

QUEENS CB - 2 20125427 SCQ
Application pursuant to Section 1732 of the New York School Construction Authority Act, concerning the proposed site selection for a new, approximately 440-Seat Primary School Facility to be located at 57-02 to 57-08 39th Avenue and 39-12 to 39-16 58th Street (Block 1228, Lots 48, 52, 57, 58, 60 and 61), Borough of Queens, Community School District No. 30.

P.S. 892-QUEENS

QUEENS CB - 12 20125428 SCQ
Application pursuant to Section 1732 of the New York School Construction Authority Act, concerning the proposed site selection for a new, approximately 379-Seat Primary School Facility to be located at 199-02 112th Avenue (Block 10975, Lot 1), Borough of Queens, Community School District No. 29

P.S. 342-MANHATTAN

MANHATTAN CB - 7 20125429 SCM
Application pursuant to Section 1732 of the New York School Construction Authority Act, concerning the proposed site selection for a new, approximately 692-Seat Primary/Intermediate School Facility to be located at Southwest Corner of West 61st Street and West End Avenue (Block 1171, Lot 165), Borough of Manhattan, Community School District No. 3.

**SEARS ROEBUCK & CO. DEPARTMENT STORE
BROOKLYN CB - 14 20125726 HKK (N 120369 HKK)**
Designation (List No. 455/LP-2469) by the Landmarks Preservation Commission pursuant to Section 3020 of the New York City Charter regarding the landmark designation of the Sears Roebuck & Co. Department Store located at 2227-2323 Beverly Road (a/k/a 2388-2420 Bedford Avenue) (Tax Map Block 5133, part of Lot 14), as an historic landmark.

**VAN TASSELL AND KEARNEY AUCTION MART
MANHATTAN CB - 3 20125727 HKM (N 120368 HKM)**
Designation (List No. 455/LP-2205) by the Landmarks Preservation Commission pursuant to Section 3020 of the New York City Charter regarding the landmark designation of the Van Tassel and Kearney Auction Mart located at 126-128 East 13th Street (Tax Map Block 558, Lot 43 in part), as an historic landmark.

The Subcommittee on Planning, Dispositions and Concessions will hold a public hearing on the following matter in the Council Committee Room, 250 Broadway, 16th Floor, New York City, New York 10007, commencing at 1:00 P.M. on Monday, August 20, 2012:

**120 EAST 125TH STREET FIREHOUSE
MANHATTAN CB - 11 N 120248 HAM**
Application submitted by the Department of Housing Preservation and Development (HPD):

- 1) pursuant to Article 16 of the General Municipal Law of New York State for:
 - a) the designation of property located at 120 East 125th Street (Block 1773, Lot 62), as an Urban Development Action Area; and

- b) an Urban Development Action Area Project for such area;

to facilitate the rehabilitation of a vacant four-story building.

a14-20

■ HEARINGS

HEARING BY THE COMMITTEE ON RULES, PRIVILEGES AND ELECTIONS

THE COMMITTEE ON RULES, PRIVILEGES AND ELECTIONS WILL HOLD A HEARING ON WEDNESDAY, AUGUST 22, 2012 AT 10:30 A.M. IN THE COMMITTEE ROOM AT CITY HALL, NEW YORK, NEW YORK 10007 ON THE FOLLOWING MATTERS:

Advice and Consent

- **M-853**, Communication from the Brooklyn Borough President submitting the name of Joseph Douek for appointment to the New York City Planning Commission pursuant to §§ 31 and 192 of the New York City Charter. Should Mr. Douek receive the advice and consent of the Council, he will replace Shirley A. McRae and be eligible to serve the remainder of a five-year term that expires on June 30, 2017.

AND SUCH OTHER BUSINESS AS MAY BE NECESSARY

A Calendar of speakers will be established in advance. Persons interested in being heard should write to the Honorable Christine C. Quinn, Speaker of the City Council, City Hall, New York, New York 10007, setting forth their name, representation and viewpoints.

Michael M. McSweeney
City Clerk, Clerk of the Council

a16-22

CITY PLANNING COMMISSION

■ PUBLIC HEARINGS

NOTICE IS HEREBY GIVEN THAT RESOLUTIONS Have been adopted by the City Planning Commission Scheduling public hearings on the following matters to be held at Spector Hall, 22 Reade Street, New York, NY, on Wednesday, August 22, 2012 at 10:00 A.M.

BOROUGH OF THE BRONX

No. 1

RIVERS LEARNING CENTER

CD 5 C 120139 PQX
IN THE MATTER OF an application submitted by the Administration for Children's Services, the Department for the Aging, and the Department of Citywide Administrative Services, pursuant to Section 197-c of the New York City Charter for the acquisition of property located at 200 West Tremont Avenue (Block 2877, Lot 522), for continued use as a child care center and a senior center.

BOROUGH OF QUEENS

No. 2

TRAVERS PARK ADDITION

CD 3 C 120378 PCQ
IN THE MATTER OF an application submitted by the Department of Parks and Recreation and the Department of Citywide Administrative Services, pursuant to Section 197-c of the New York City Charter for the site selection and acquisition of property located at 36-16 79th Street (Block 1251, p/o lot 12) for use as a park.

No. 3

142ND STREET REALIGNMENT

CD 12 C 110388 MMQ
IN THE MATTER OF an application submitted by the Department of Transportation and the Department of Design and Construction pursuant to Sections 197-c and 199 of the New York City Charter for an amendment to the City Map involving:

- the realignment, by widening, of a portion of 142nd Street south of 135th Avenue; and
- the extinguishment of grading easements,

including authorization for any disposition or acquisition of real property related thereto, in accordance with Map No.

No. 4
J. HARDEMAN SR. CHILD CARE CENTER
CD 3 C 120260 PQQ
IN THE MATTER OF an application submitted by the Administration for Children's Services and the Department of Citywide Administrative Services, pursuant to Section 197-c of the New York City Charter for the acquisition of property located at 29-49 Gilmore Street (Block 1669, lot 38) for continued use as a child care center.

BOROUGH OF MANHATTAN
No. 5
RIVERSIDE-WEST END HISTORIC DISTRICT
EXTENSION 1
CD 7 N 130002 HKM
IN THE MATTER OF a communication dated July 5, 2012, from the Executive Director of the Landmarks Preservation Commission regarding the landmark designation of the Riverside – West End Historic District Extension I, designated by the Landmarks Preservation Commission on June 26, 2012 (List No. 457, LP No. 2463). The district boundaries are:

The Riverside-West End Historic District Extension I consists of the property bounded by a line beginning at the northwest corner of Broadway and West 79th Street, extending westerly along the northern curbline of West 79th Street to a point on a line extending southerly from the western property line of 307 West 79th Street (aka 307-313 West 79th Street), northerly along said line and the western property line of 307 West 79th Street (aka 307-313 West 79th Street), easterly along the northern property line of 307 West 79th Street (aka 307-313 West 79th Street), northerly along the western property line of 411 West End Avenue (aka 409-411 West End Avenue; 302-304 West 80th Street) to the northern curbline of West 80th Street, easterly along the northern curbline of West 80th Street to a point on a line extending southerly from the western property line of 425 West End Avenue (aka 301 West 80th Street), northerly along said line and the western property line of 425 West End Avenue (aka 301 West 80th Street), westerly along part of the southern property line of 433 West End Avenue (aka 431-439 West End Avenue; 300-302 West 81st Street), northerly along part of the western property line of 433 West End Avenue (aka 431-439 West End Avenue; 300-302 West 81st Street), easterly along part of the northern property line of 433 West End Avenue (aka 431-439 West End Avenue; 300-302 West 81st Street), northerly along part of the western property line of 433 West End Avenue (aka 431-439 West End Avenue; 300-302 West 81st Street) to the southern curbline of West 81st Street, westerly along the southern curbline of West 81st Street, northerly along the eastern curbline of Riverside Drive, easterly along the northern curbline of West 85th Street to a point on a line extending southerly from the western property line of 355 West 85th Street (aka 351-355 West 85th Street), northerly along said line and the western property line of 355 West 85th Street (aka 351-355 West 85th Street), westerly along part of the southern property line of 340 West 86th Street (aka 340-346 West 86th Street), northerly along the western property line of 340 West 86th Street (aka 340-346 West 86th Street) to the northern curbline of West 86th Street, easterly along the northern curbline of West 86th Street to a point on a line extending southerly from the western property line of 349 West 86th Street, northerly along the western property line of 349 West 86th Street, easterly along the northern property lines of 349 through 305 West 86th Street (aka 303-307 West 86th Street), northerly along part of the western property line of 545 West End Avenue (aka 541-551 West End Avenue; 301 West 86th Street) and the western property line of 555 West End Avenue (aka 553-559 West End Avenue; 300 West 87th Street) to the northern curbline of West 87th Street, easterly along the northern curbline of West 87th Street to a point on a line extending northerly from the eastern property line of 552 West End Avenue (aka 264 West 87th Street), southerly along said line and the eastern property lines of 552 West End Avenue (aka 264 West 87th Street) and 550 West End Avenue, easterly along part of the northern property line of 540 West End Avenue (aka 540-546 West End Avenue; 261-263 West 86th Street) and the northern property line of 257 West 86th Street (aka 255-259 West 86th Street), southerly along the eastern property line of 257 West 86th Street (aka 255-259 West 86th Street) to the southern curbline of West 86th Street, easterly along the southern curbline of West 86th Street, southerly along the western curbline of Broadway, westerly along the northern curbline of West 83rd Street to a point on a line extending northerly from the eastern property line of 470 West End Avenue (aka 470-472 West End Avenue; 262-270 West 83rd Street), southerly along said line and the eastern property line of 470 West End Avenue (aka 470-472 West End Avenue; 262-270 West 83rd Street), westerly along part of the southern property line of 470 West End Avenue (aka 470-472 West End Avenue; 262-270 West 83rd Street), southerly along the eastern property line of 460-466 West End Avenue (aka 253-257 West 82nd Street) to the southern curbline of West 82nd Street, easterly along the southern curbline of West 82nd Street, southerly along the western curbline of Broadway, westerly along the northern curbline of West 81st Street to a point on a line extending northerly from the eastern property line of 424 West End Avenue (aka 424-436 West End Avenue; 278-280 West 81st Street), southerly along said line and the eastern property lines of 424 West End Avenue (424-436 West End Avenue; 278-280 West 81st Street) and 251 West 80th Street to the northern curbline of West 80th Street, westerly along the northern curbline of West 80th Street to a point on a line extending northerly from the eastern property line of 412 West End Avenue (aka 252-256 West 80th Street), southerly along said line and the eastern property line of 412 West End Avenue (aka 252-256 West 80th Street), westerly along part of the southerly property line of 412 West End Avenue (aka 252-256 West 80th Street), southerly along the eastern property line of 410 West End Avenue (aka 408-410 West End Avenue), easterly along part of the northern property line of 400 West End Avenue (aka 400-406 West End Avenue; 267-269 West 79th Street) and the northern property line of 265 West 79th Street (aka 2221-2229 Broadway) to the western curbline of Broadway, and southerly along the western curbline of Broadway, to the point of beginning.

BOROUGH OF BROOKLYN
No. 6
PARK PLACE HISTORIC DISTRICT
CD 8 N 130003 HKK
IN THE MATTER OF a communication dated July 5, 2012, from the Executive Director of the Landmarks Preservation

Commission regarding the landmark designation of the Park Place Historic District, designated by the Landmarks Preservation Commission on June 26, 2012 (Designation List 457, LP-2446). Borough of Brooklyn, Community Districts 8. The district boundaries are:

bounded by a line beginning at a point in the northern curbline of Park Place formed by its intersection with a line extending southerly from the eastern property line of 675 Park Place, then extending northerly along said line and property line, westerly along the northern property lines of 675 to 655 Park Place, westerly long the angled property lines of 653 and 651 Park Place, southerly along the western property line of 651 Park Place to the northern curbline of Park Place, and easterly along said curbline to the point of the beginning.

YVETTE V. GRUEL, Calendar Officer
City Planning Commission
22 Reade Street, Room 2E
New York, New York 10007
Telephone (212) 720-3370

a9-22

TRANSPORTATION

■ **PUBLIC HEARINGS**

NOTICE IS HEREBY GIVEN, pursuant to law, that the following proposed revocable consents, have been scheduled for a public hearing by the New York City Department of Transportation. The hearing will be held at 55 Water Street, 9th Floor, Room 945 commencing at 2:00 P.M. on Wednesday, September 5, 2012. Interested parties can obtain copies of proposed agreements or request sign-language interpreters (with at least seven days prior notice) at 55 Water Street, 9th Floor SW, New York, NY 10041, or by calling (212) 839-6550.

#1 In the matter of a proposed revocable consent authorizing 1325 Avenue of the Americas, L.P. to continue to maintain and use a clock and an address directional sign on the sidewalk of the northwest corner of West 53rd Street and Avenue of the Americas, in the Borough of Manhattan. The proposed revocable consent is for a term of ten years from July 1, 2012 to June 30, 2022 and provides among other terms and conditions for compensation payable to the City according to the following schedule:

For the period July 1, 2012 to June 30, 2022 - \$300

the maintenance of a security deposit in the sum of \$2,500 and the insurance shall be in the amount of One Million Dollars (\$1,000,000) per occurrence, and Two Million Dollars (\$2,000,000) aggregate.

#2 In the matter of a proposed revocable consent authorizing 48-75 Owners Corp. to construct, maintain and use a stoop on the south sidewalk of West 75th Street, east of Columbus Avenue, in the Borough of Manhattan. The proposed revocable consent is for a term of ten years from the date of approval by the Mayor to June 30, 2023 and provides among other terms and conditions for compensation payable to the city according to the following schedule:

From the Approval Date to June 30, 2023 - \$25/annum

the maintenance of a security deposit in the sum of \$1,000 and the insurance shall be in the amount of One Million Dollars (\$1,000,000) per occurrence, and Two Million Dollars (\$2,000,000) aggregate.

#3 In the matter of a proposed revocable consent authorizing Clark Halstead to continue to maintain and use a stoop and a fenced-in area on the north sidewalk of East 82nd Street, between First Avenue and Second Avenue, in the Borough of Manhattan. The proposed revocable consent is for a term of ten years from July 1, 2012 to June 30, 2022 and provides among other terms and conditions for compensation payable to the City according to the following schedule:

For the period from July 1, 2012 to June 30, 2022 - \$124

the maintenance of a security deposit in the sum of \$3,000 and the insurance shall be the amount of One Million Dollars (1,000,000) per occurrence, and Two Million Dollars (\$2,000,000) aggregate.

#4 In the matter of a proposed revocable consent authorizing Downstate at LICH Holding Company, Inc. to continue to maintain and use planted areas with surrounding fences on the west sidewalk of Henry Street and planted area, together with exterior stairway, with surrounding fence on the north sidewalk of Amity Street, in the Borough of Brooklyn. The proposed revocable consent is for a term of ten years from July 1, 2012 to June 30, 2022 and provides among others terms and condition for compensation payable to the city according to the following schedule:

For the period July 1, 2012 to June 30, 2022 - \$2,289/annum

the maintenance of a security deposit in the sum of \$7,000 and the insurance shall be in the amount of One Million Dollars (\$1,000,000) per occurrence, and Two Million Dollars (\$2,000,000) aggregate.

#5 In the matter of a proposed revocable consent authorizing The Metropolitan Transportation Authority to construct, maintain and use security bollards on the south sidewalk of Hanson Place, east of Flatbush Avenue, east sidewalk of Flatbush Avenue, south of Hanson Place, south sidewalk of 4th Avenue, west of Flatbush Avenue, west sidewalk of Flatbush Avenue, south of 4th Avenue and east sidewalk of Atlantic Avenue between 4th Avenue and Flatbush Avenue, in the Borough of Brooklyn. The proposed revocable consent is for a term of ten years from the date Approval by the mayor to June 30, 2022.

There shall be no compensation required for this revocable consent

There is no security deposit and the insurance shall be the amount of One Million Dollars (1,000,000) per occurrence, and Two Million Dollars (\$2,000,000) aggregate.

#6 In the matter of a proposed revocable consent authorizing The Metropolitan Transportation Authority to construct, maintain and use security bollards on the north sidewalk of

John Street between Broadway & Nassau Street, east sidewalk of Broadway between John Street & Fulton Street and the south sidewalk of Fulton Street between Broadway & Nassau Street, in the Borough of Manhattan. The proposed revocable consent is for a term of ten years from the date Approval by the mayor to June 30, 2022.

There shall be no compensation required for this revocable consent

There is no security deposit and the insurance shall be the amount of One Million Dollars (1,000,000) per occurrence, and Two Million Dollars (\$2,000,000) aggregate.

#7 In the matter of a proposed revocable consent authorizing The Justice John Jay Condominium. to continue to maintain and use an entrance detail on the south sidewalk of Jay Street, east of Greenwich Street, in the Borough of Manhattan. The proposed revocable consent is for a term of ten years from July 1, 2010 to June 30, 2020 and provides among other terms and conditions for compensation payable to the City according to the following schedule:

For the period July 1, 2010 to June 30, 2011 - \$1,104
 For the period July 1, 2011 to June 30, 2012 - \$1,030
 For the period July 1, 2012 to June 30, 2013 - \$1,441
 For the period July 1, 2013 to June 30, 2014 - \$1,481
 For the period July 1, 2014 to June 30, 2015 - \$1,521
 For the period July 1, 2015 to June 30, 2016 - \$1,561
 For the period July 1, 2016 to June 30, 2017 - \$1,601
 For the period July 1, 2017 to June 30, 2018 - \$1,641
 For the period July 1, 2018 to June 30, 2019 - \$1,681
 For the period July 1, 2019 to June 30, 2020 - \$1,721

the maintenance of a security deposit in the sum of \$2,000 and the insurance shall be the amount of One Million Dollars (1,000,000) per occurrence, and Two Million Dollars (\$2,000,000) aggregate.

a15-s5

PROPERTY DISPOSITION

CITYWIDE ADMINISTRATIVE SERVICES

OFFICE OF CITYWIDE PURCHASING

■ **NOTICE**

Beginning in August, The Department of Citywide Administrative Services, Office of Citywide Purchasing, will be selling surplus assets on the internet. Visit <http://www.publicsurplus.com/sms/nycdcas.ny/browse/home>. To begin bidding, simply click on "Register" on the home page. There are no fees to register. Offerings may include but are not limited to: office supplies/equipment, furniture, building supplies, machine tools, HVAC/plumbing/electrical equipment, lab equipment, marine equipment, and more. Public access to computer workstations and assistance with placing bids is available at the following locations:

- DCAS Central Storehouse, 66-26 Metropolitan Avenue, Middle Village, NY 11379
- DCAS, Office of Citywide Purchasing, 1 Centre Street, 18th Floor, New York, NY 10007.

jy24-d1

POLICE

OWNERS ARE WANTED BY THE PROPERTY CLERK DIVISION OF THE NEW YORK CITY POLICE DEPARTMENT.

The following listed property is in the custody, of the Property Clerk Division without claimants.

Recovered, lost, abandoned property, property obtained from prisoners, emotionally disturbed, intoxicated and deceased persons; and property obtained from persons incapable of caring for themselves.

Motor vehicles, boats, bicycles, business machines, cameras, calculating machines, electrical and optical property, furniture, furs, handbags, hardware, jewelry, photographic equipment, radios, robes, sound systems, surgical and musical instruments, tools, wearing apparel, communications equipment, computers, and other miscellaneous articles.

INQUIRIES

Inquiries relating to such property should be made in the Borough concerned, at the following office of the Property Clerk.

FOR MOTOR VEHICLES

(All Boroughs):

- * College Auto Pound, 129-01 31 Avenue, College Point, NY 11354, (718) 445-0100
- * Gowanus Auto Pound, 29th Street and 2nd Avenue, Brooklyn, NY 11212, (718) 832-3852
- * Erie Basin Auto Pound, 700 Columbia Street, Brooklyn, NY 11231, (718) 246-2029

FOR ALL OTHER PROPERTY

- * Manhattan - 1 Police Plaza, New York, NY 10038, (212) 374-4925.
- * Brooklyn - 84th Precinct, 301 Gold Street, Brooklyn, NY 11201, (718) 875-6675.
- * Bronx Property Clerk - 215 East 161 Street, Bronx, NY 10451, (718) 590-2806.
- * Queens Property Clerk - 47-07 Pearson Place, Long Island City, NY 11101, (718) 433-2678.
- * Staten Island Property Clerk - 1 Edgewater Plaza, Staten Island, NY 10301, (718) 876-8484.

j1-d31

PROCUREMENT

“Compete To Win” More Contracts! Thanks to a new City initiative - “Compete to Win” - the NYC Department of Small Business Services offers a new set of FREE services to help create more opportunities for minority and women-owned businesses to compete, connect and grow their business with the City. With NYC Construction Loan, Technical Assistance, NYC Construction Mentorship, Bond Readiness, and NYC Teaming services, the City will be able to help even more small businesses than before.

● **Win More Contracts at nyc.gov/competetowin**

“The City of New York is committed to achieving excellence in the design and construction of its capital program, and building on the tradition of innovation in architecture and engineering that has contributed to the City’s prestige as a global destination. The contracting opportunities for construction/construction services and construction-related services that appear in the individual agency listings below reflect that commitment to excellence.”

ADMINISTRATION FOR CHILDREN’S SERVICES

■ SOLICITATIONS

Human / Client Services

NON-SECURE DETENTION GROUP HOMES – Negotiated Acquisition – Judgment required in evaluating proposals - PIN# 06811N0004 – DUE 05-31-13 AT 2:00 P.M. – The Administration for Children’s Services, Division of Youth and Family Justice is soliciting applications from organizations interested in operating non-secure detention group homes in New York City. This is an open-ended solicitation; applications will be accepted on a rolling basis until 2:00 P.M. on 5/31/13.

Use the following address unless otherwise specified in notice, to secure, examine or submit bid/proposal documents, vendor pre-qualification and other forms; specifications/ blueprints; other information; and for opening and reading of bids at date and time specified above. Administration for Children’s Services, 150 William Street, 9th Floor, New York, NY 10038. Patricia Chabla (212) 341-3505; Fax: (212) 341-3625; patricia.chabla@dfa.state.ny.us

j1-n14

CITYWIDE ADMINISTRATIVE SERVICES

OFFICE OF CITYWIDE PURCHASING

■ SOLICITATIONS

Services (Other Than Human Services)

PUBLIC SURPLUS ONLINE AUCTION – Other – PIN# 856000 – DUE 07-30-14

Use the following address unless otherwise specified in notice, to secure, examine or submit bid/proposal documents, vendor pre-qualification and other forms; specifications/ blueprints; other information; and for opening and reading of bids at date and time specified above. Department of Citywide Administrative Services, 66-26 Metropolitan Avenue, Queens Village, NY 11379. Donald Lepore (718) 417-2152; Fax: (212) 313-3135; dlepore@dcas.nyc.gov

jy25-j10

MUNICIPAL SUPPLY SERVICES

■ AWARDS

Goods

MANIKIN, SIMULATOR FOR EMS BRAND SPECIFIC (HAL) RE-AD – Competitive Sealed Bids – PIN# 8571200289 – AMT: \$193,217.82 – TO: Gaumard Scientific Co., Inc., 14700 SW 136th Street, Miami, FL 33196. ● **BODY ARMOR, BALLISTIC/STAB RESISTANT** – Competitive Sealed Bids – PIN# 8571000437 – AMT: \$600,270.00 – TO: Point Blank Enterprises, Inc., 2102 SW 2nd Street, Pompano Beach, FL 33069.

■ a16

■ VENDOR LISTS

Goods

EQUIPMENT FOR DEPARTMENT OF SANITATION – In accordance with PPB Rules, Section 2.05(c)(3), an acceptable brands list will be established for the following equipment for the Department of Sanitation:

- A. Collection Truck Bodies
- B. Collection Truck Cab Chassis
- C. Major Component Parts (Engine, Transmission, etc.)

Applications for consideration of equipment products for inclusion on the acceptable brands list are available from: Mr. Edward Andersen, Procurement Analyst, Department of Citywide Administrative Services, Office of Citywide Procurement, 1 Centre Street, 18th Floor, New York, NY 10007. (212) 669-8509.

j5-d31

ECONOMIC DEVELOPMENT CORPORATION

CONTRACTS

■ SOLICITATIONS

Goods & Services

WEST 8TH STREET STATION ACCESS PROJECT RFP – Request for Proposals – PIN# 5027-1 – DUE 09-14-12 AT 4:00 P.M. – NYCEDC, on behalf of the city of New York, is issuing a Request for Proposals for Resident Engineer and Inspection services for the West 8th Street Station Access

Project in Coney Island. Coney Island is an historic amusement destination, and it attracts millions of visitors each year. The goal of the Project is to enhance the physical and visual connection between the West 8th Street Station, the Wildlife Conservation Society’s New York Aquarium, the beach and boardwalk, and the rest of the Coney Island amusement area. The primary Project area is at the intersections of West 8th Street and Surf Avenue and West 10th Street and the boardwalk. The Project includes the demolition of the West 8th Street pedestrian bridge, causeway, and related stairs and the reconstruction of the West 8th Street intersection. The Project will also include the construction of two new pedestrian-oriented arrival areas located on the north and south sides of Surf Avenue at West 8th Street and at West 10th Street and the boardwalk.

The Project is a Qualifications-Based Selection project. NYCEDC will select a consultant based on respondent’s qualifications and the quality of the submitted proposal. An NYCEDC ranking team will evaluate each respondent’s proposal based on the criteria set forth in RFP which include, but are not limited to: the quality of the proposal, experience of key staff identified in the proposal, experience and quality of any subcontractors proposed, and demonstrated successful experience in performing services similar to those encompassed in the RFP.

Respondents are advised that the Project is a Federal Aid Project and a Disadvantaged Business Enterprise (“DBE”) participation goal of 11 percent applies to this Project.

NYCEDC, in accordance with Title VI of the Civil Rights Act of 1064, 78 Stat. 252, 42 U.S.C. 2000d to 2000d-4 and Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally –assisted programs of the Department of Transportation and Title 49 Code of Federal Regulations, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation, as amended, issued pursuant to such Act, hereby notifies all who respond to this NYCEDC RFP that it will affirmatively insure that in any contract entered into pursuant to this advertisement, DBEs will be afforded full opportunity to submit proposals in response to this invitation and will not be discriminated against on the grounds of race, color, national origin, sex, age, disability/handicap and income status in consideration for an award.

All respondents will be required to submit a DBE Utilization Plan with their response. A list of certified DBEs can be found at <http://biznet.nysucp.net/>. Minority and Women Owned Business Enterprises (“M/WBE”) are also encouraged to apply.

M/W/DBE Mobilization Loan Program: NYCEDC has established the M/W/DBE Mobilization Loan Program for M/WBEs and DBEs (“M/W/DBE”) interested in working on NYCEDC construction projects. The M/W/DBE Mobilization Loan Program facilitates financing for short-term mobilization needs such as insurance, labor, supplies and equipment. Bidders/subcontractors are strongly encouraged to visit the NYCEDC website at www.nycedc.com/opportunitymwdbbe to learn more about the program.

An optional pre-proposal session will be held on Monday, August 27 at 2:30 P.M. at West 8th Street and Surf Avenue, Coney Island. Those who wish to attend should RSVP by email to west8thstreetREI@nycedc.com on or before Thursday, August 23, 2012.

Respondents may submit questions and/or request clarifications from NYCEDC no later than 4:00 P.M. on Wednesday, August 29, 2012. Questions regarding the subject matter of this RFP should be directed to west8thstreetREI@nycedc.com. Answers to all questions will be posted by Wednesday, September 5, 2012, to www.nycedc.com/RFP.

The RFP is available for in-person pick-up between 9:30 A.M. and 4:30 P.M., Monday through Friday, from NYCEDC. Please submit three (3) sets of your proposal to: NYCEDC, Attention: Maryann Catalano, Senior Vice President, Contracts.

Use the following address unless otherwise specified in notice, to secure, examine or submit bid/proposal documents, vendor pre-qualification and other forms; specifications/ blueprints; other information; and for opening and reading of bids at date and time specified above. Economic Development Corp., 110 William Street, 6th Floor, New York, NY 10038. Maryann Catalano (212) 312-3969; Fax: (212) 312-3918; west8thstreetREI@nycedc.com

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EDUCATION

CONTRACTS AND PURCHASING

■ SOLICITATIONS

Services (Other Than Human Services)

FOOD SERVICES DISTRIBUTION – Competitive Sealed Bids – PIN# B2147040 – DUE 09-13-12 AT 4:00 P.M. – The Division of Contracts and Purchasing (DCP), on behalf of the Department of Education (DOE) and the Office of School Food (OSF), is issuing this Request for Bid to provide to food distribution services to approximately 1,215 schoolfood operated kitchens, Citywide. Contracts resulting from this RFB will cover the acquisition, warehousing, handling, and distribution of approximately 450 food items. It will also cover the management, storage, and distribution of approximately 60,000 cases of donated goods per year from the NYS Office of General Services (OGS) and 2.4 million cases of food items purchased directly from contracted manufacturers. The DOE School Food meal programs serves approximately 41.5 million breakfasts, 115.8 million lunches and 16.9 million snacks and suppers during the regular school year and an additional 7 million breakfasts and lunches during the summer meals program to approximately one thousand sites. If you cannot download this BID, please send an e-mail to VendorHotline@schools.nyc.gov with the BID number and title in the subject line of your e-mail. For

all questions related to this BID, please send an e-mail to fcastel@schools.nyc.gov with the BID number and title in the subject line of your e-mail.

There will be a Pre-Bid Conference on Thursday, August 23rd, 2012 at 12:00 P.M. at Murry Bergtraum High School Auditorium, 411 Pearl Street, New York, N.Y. 10038; fcastel@schools.nyc.gov to confirm attendance at the pre-bid conference.

BID OPENING DATE and TIME: September 14, 2012 at 11:00 A.M.

Use the following address unless otherwise specified in notice, to secure, examine or submit bid/proposal documents, vendor pre-qualification and other forms; specifications/ blueprints; other information; and for opening and reading of bids at date and time specified above. Department of Education, 65 Court Street, Room 1201, Brooklyn, NY 11201. Vendor Hotline (718) 935-2300; VendorHotline@schools.nyc.gov

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ENVIRONMENTAL PROTECTION

■ INTENT TO AWARD

Services (Other Than Human Services)

JEROME HYDROGEN SULFIDE ANALYZERS MAINTENANCE AND CALIBRATION SERVICES – Sole Source – Available only from a single source - PIN# 2031152 – DUE 08-29-12 AT 11:00 A.M. – NYC Environmental Protection intends to enter into a sole source agreement with Arizona Instruments for JEROME HYDROGEN SULFIDE ANALYZERS MAINTENANCE AND CALIBRATION SERVICES. Any firm which believes it can also provide the required services is invited to do so indicate by letter or e-mail.

● **TIER II MANAGER PREMIUM PLUS TECHNICAL SUPPORT PROGRAM** – Sole Source – Available only from a single source - PIN# 3300004 – DUE 08-29-12 AT 11:00 A.M. - NYC Environmental Protection intends to enter into a sole source agreement with IDSi International Inc. for license support and maintenance. Any firm which believes it can also provide the required services is invited to do so indicate by letter or e-mail.

Use the following address unless otherwise specified in notice, to secure, examine or submit bid/proposal documents, vendor pre-qualification and other forms; specifications/ blueprints; other information; and for opening and reading of bids at date and time specified above. Department of Environmental Protection, 59-17 Junction Blvd, 17th Floor, Flushing, NY 11373. Ira Elmore (718) 595-3259; Fax: (718) 595-3295; ielmore@dep.nyc.gov

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HEALTH AND HOSPITALS CORPORATION

The New York City Health and Hospitals Corporation is regularly soliciting bids for supplies and equipment at its Central Purchasing Offices, 346 Broadway, New York City, Room 516, for its Hospitals and Diagnostic and Treatment Centers. All interested parties are welcome to review the bids that are posted in Room 516 weekdays between 9:00 a.m. and 4:30 p.m. For information regarding bids and the bidding process, please call (212) 442-4018.

j1-d31

■ SOLICITATIONS

Goods

DIETARY SUPPLEMENTS – Competitive Sealed Bids – PIN# 1-5511300006 – DUE 09-27-12 AT 2:00 P.M.

Use the following address unless otherwise specified in notice, to secure, examine or submit bid/proposal documents, vendor pre-qualification and other forms; specifications/ blueprints; other information; and for opening and reading of bids at date and time specified above. Sea View Hospital, 460 Brielle Avenue, Room 134, Staten Island, NY 10314. Alejandro Cheng (718) 317-3377; Fax: (718) 317-3666; chengal@nychhc.org

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HEALTH AND MENTAL HYGIENE

AGENCY CHIEF CONTRACTING OFFICER

■ SOLICITATIONS

Human / Client Services

NEW YORK/NY III SUPPORTED HOUSING CONGREGATE – Competitive Sealed Proposals – Judgment required in evaluating proposals - PIN# 81608PO076300R0X00-R – DUE 09-18-12 AT 4:00 P.M. – The Department is issuing a RFP to establish 3,000 units of citywide supportive housing in newly constructed or rehabilitated single-site buildings for various homeless populations pursuant to the New York III Supported Housing agreement. The subject RFP will be open-ended and proposals will be accepted on an on-going basis. The RFP is available on-line at <http://www.nyc.gov/html/doh/html/acco/acco-rfp-nynycongregate-20070117-form.shtml>. A pre-proposal conference was held on March 6, 2007 at 2:00 P.M. at 125 Worth Street, 2nd Floor Auditorium, New York, N.Y. Any questions regarding this RFP must be sent in writing in advance to Contracting Officer at the above address or e-mailed to the above address. All proposals must be hand delivered at the Agency Chief Contracting Officer, Gotham Center, CN#30A, 42-09 28th Street, 17th Floor, Queens, NY 11101-4132, no later than September 18, 2012.

As a minimum qualification requirement for (1) the serious and persistent mentally ill populations, the proposer must be

incorporated as a not-for-profit organization, and (2) for the young adult populations, the proposer must document site control and identify the source of the capital funding and being used to construct or renovate the building.

Use the following address unless otherwise specified in notice, to secure, examine or submit bid/proposal documents, vendor pre-qualification and other forms; specifications/blueprints; other information; and for opening and reading of bids at date and time specified above.

Health and Mental Hygiene, ACCO, Gotham Center, CN#30A, 42-09 28th Street, 17th Floor, Queens, NY 11101-4132.
Huguette Beaupour (347) 396-6633; hbeaupor@health.nyc.gov

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AWARDS

Human/Client Services

MOBILE DENTAL VAN – BP/City Council Discretionary – PIN# 12DH033401R0X00 – AMT: \$268,000.00 – TO: NYU College of Dentistry, 70 Washington Square South, New York, NY 10012.

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HOMELESS SERVICES**SOLICITATIONS**

Services (Other Than Human Services)

ON-CALL GLAZING, CITYWIDE – Competitive Sealed Bids – PIN# 071-12S-02-1422 – DUE 09-14-12 AT 11:00 A.M. – A mandatory pre-bid conference is scheduled for Thursday, August 30, 2012 at 10:30 A.M. Location - 10107 Farragut Road, Brooklyn, NY 11236.

Period of Performance: Thirty-six months from Date of Notice to Commence Work.

ON-CALL PAINTING, CITYWIDE – Competitive Sealed Bids – PIN# 071-12S-02-1519 – DUE 09-17-12 AT 11:00 A.M. - A mandatory pre-bid conference is scheduled for Friday, August 31, 2012 at 10:30 A.M. Location - 10107 Farragut Road, Brooklyn, NY 11236.

Period of Performance: Forty-eight (48) months from Date of Notice to Commence Work.

Bidders are hereby advised that this contract is subject to the Project Labor Agreement (“PLA”) entered into between the City and the Building and Construction Trades Council of Greater New York (“BCTC”) affiliated Local Unions. Please refer to the bid documents for further information.

Use the following address unless otherwise specified in notice, to secure, examine or submit bid/proposal documents, vendor pre-qualification and other forms; specifications/blueprints; other information; and for opening and reading of bids at date and time specified above.

Department of Homeless Services, 33 Beaver Street, 13th Floor Bid Desk, New York, NY 10004.
Shirley Fleming-Morris (212) 361-8422; Fax: (917) 637-7055; sfleming@dhs.nyc.gov

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AGENCY CHIEF CONTRACTING OFFICER**SOLICITATIONS**

Services (Other Than Human Services)

ON-CALL M AND R AND SUPPLY OF REFRIGERATOR SYSTEMS, CITYWIDE – Competitive Sealed Bids – PIN# 071-12S-02-1529 – DUE 09-25-12 AT 11:00 A.M. – Solicitation package to be picked up by vendors “free of charge.”

Non-mandatory pre-bid conference 10:00 A.M. on Friday, September 7, 2012 at 10107 Farragut Road, Brooklyn, NY 11236. Bid opening: 11:00 A.M. on 9/25/12.

Use the following address unless otherwise specified in notice, to secure, examine or submit bid/proposal documents, vendor pre-qualification and other forms; specifications/blueprints; other information; and for opening and reading of bids at date and time specified above.

Department of Homeless Services, 33 Beaver Street, New York, NY 10004. J. Destra (212) 361-8498; Fax: (917) 637-7054; jdestra@dhs.nyc.gov

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PARKS AND RECREATION**REVENUE AND CONCESSIONS****SOLICITATIONS**

Services (Other Than Human Services)

SALE OF FOOD FROM MOBILE FOOD UNITS AT VARIOUS LOCATIONS, CITYWIDE – Public Bid – PIN# CWB2013A – DUE 09-05-12 AT 11:00 A.M.

TELECOMMUNICATIONS DEVICE FOR THE DEAF (TDD) 212-504-4115.

Use the following address unless otherwise specified in notice, to secure, examine or submit bid/proposal documents, vendor pre-qualification and other forms; specifications/blueprints; other information; and for opening and reading of bids at date and time specified above.

Parks and Recreation, The Arsenal-Central Park, 830 Fifth Avenue, Room 407, New York, NY 10021.
Glenn Kaalund (212) 360-1397; glenn.kaalund@parks.nyc.gov

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POLICE**AWARDS**

Services (Other Than Human Services)

ARMORED CAR SERVICES – Competitive Sealed Bids – PIN# 05612B0001 – AMT: \$260,208.00 – TO: Dunbar Armored, Inc., 50 Schilling Road, Hunt Valley, MD 21031. NYPD has entered into a contract with Dunbar Armored, Inc. for the provision of furnishing all labor and material necessary and required for armored car services for four (4) NYPD Tow Operation Pounds.

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AGENCY RULES**RENT GUIDELINES BOARD****NOTICE****2012 Apartment & Loft Order #44**

June 21, 2012

Order Number 44 - Apartments and Lofts, rent levels for leases commencing **October 1, 2012** through **September 30, 2013**.

NOTICE IS HEREBY GIVEN PURSUANT TO THE AUTHORITY VESTED IN THE NEW YORK CITY RENT GUIDELINES BOARD BY THE RENT STABILIZATION LAW OF 1969, as amended, and the Emergency Tenant Protection Act of 1974, as amended, implemented by Resolution No 276 of 1974 of the New York City Council and extended by Chapter 97 of the Laws of 2011, and in accordance with the requirements of Section 1043 of the New York City Charter, that the Rent Guidelines Board (RGB) hereby **adopts** the following levels of fair rent increases over lawful rents charged and paid on **September 30, 2012**. These rent adjustments will apply to rent stabilized apartments with leases commencing on or after **October 1, 2012** and through **September 30, 2013**. Rent guidelines for loft units subject to Section 286 subdivision 7 of the Multiple Dwelling Law are also included in this order.

ADJUSTMENT FOR RENEWAL LEASES (APARTMENTS)

Together with such further adjustments as may be authorized by law, the annual adjustment for renewal leases for apartments shall be:

For a **one-year** renewal lease commencing on or after **October 1, 2012** and on or before **September 30, 2013**: **2% or \$20 whichever is greater**

For a **two-year** renewal lease commencing on or after **October 1, 2012** and on or before **September 30, 2013**: **4% or \$40 whichever is greater**

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

VACANCY ALLOWANCE FOR APARTMENTS

No **vacancy allowance** is permitted except as provided by sections 19 and 20 of the Rent Regulation Reform Act of 1997.

ADDITIONAL ADJUSTMENT FOR RENT STABILIZED APARTMENTS SUBLET UNDER SECTION 2525.6 OF THE RENT STABILIZATION CODE

In the event of a sublease governed by subdivision (e) of section 2525.6 of the Rent Stabilization Code, the allowance authorized by such subdivision shall be **10%**.

ADJUSTMENTS FOR LOFTS (UNITS IN THE CATEGORY OF BUILDINGS COVERED BY ARTICLE 7-C OF THE MULTIPLE DWELLING LAW)

The Rent Guidelines Board **adopts** the following levels of rent increase above the “base rent,” as defined in Section 286, subdivision 4, of the Multiple Dwelling Law, for units to which these guidelines are applicable in accordance with Article 7-C of the Multiple Dwelling Law:

For **one-year** increase periods commencing on or after **October 1, 2012** and on or before **September 30, 2013**: **2% or \$20 whichever is greater**

For **two-year** increase periods commencing on or after **October 1, 2012** and on or before **September 30, 2013**: **4% or \$40 whichever is greater**

VACANT LOFT UNITS

No Vacancy Allowance is permitted under this Order. Therefore, except as otherwise provided in Section 286, subdivision 6, of the Multiple Dwelling Law, the rent charged to any tenant for a vacancy tenancy commencing on or after **October 1, 2012** and on or before **September 30, 2013** may not exceed the “base rent” referenced above plus the level of adjustment permitted above for increase periods.

FRACTIONAL TERMS

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

ESCALATOR CLAUSES

Where a lease for a dwelling unit in effect on May 31, 1968 or where a lease in effect on June 30, 1974 for a dwelling unit which became subject to the Rent Stabilization Law of 1969, by virtue of the Emergency Tenant Protection Act of 1974 and Resolution Number 276 of the New York City Council, contained an escalator clause for the increased costs of operation and such clause is still in effect, the lawful rent on **September 30, 2012** over which the fair rent under this

Order is computed shall include the increased rental, if any, due under such clause except those charges which accrued within one year of the commencement of the renewal lease. Moreover, where a lease contained an escalator clause that the owner may validly renew under the Code, unless the owner elects or has elected in writing to delete such clause, effective no later than **October 1, 2012** from the existing lease and all subsequent leases for such dwelling unit, the increased rental, if any, due under such escalator clause shall be offset against the amount of increase authorized under this Order.

SPECIAL ADJUSTMENTS UNDER PRIOR ORDERS

All rent adjustments lawfully implemented and maintained under previous apartment orders and included in the base rent in effect on **September 30, 2012** shall continue to be included in the base rent for the purpose of computing subsequent rents adjusted pursuant to this Order.

SPECIAL GUIDELINE

Under Section 26-513(b)(1) of the New York City Administrative Code, and Section 9(e) of the Emergency Tenant Protection Act of 1974, the Rent Guidelines Board is obligated to promulgate special guidelines to aid the State Division of Housing and Community Renewal in its determination of initial legal regulated rents for housing accommodations previously subject to the City Rent and Rehabilitation Law which are the subject of a tenant application for adjustment. The Rent Guidelines Board hereby **adopts** the following Special Guidelines:

For dwelling units subject to the Rent and Rehabilitation Law on **September 30, 2012**, which become vacant after **September 30, 2012**, the special guideline shall be the greater of:

4. **30%** above the maximum base rent, or
5. The Fair Market Rent for existing housing as established by the United States Department of Housing and Urban Development (HUD) for the New York City Primary Metropolitan Statistical Area pursuant to Section 8(c) (1) of the United States Housing Act of 1937 (42 U.S.C. section 1437f [c] [1]) and 24 C.F.R. Part 888, with such Fair Market Rents to be adjusted based upon whether the tenant pays his or her own gas and/or electric charges as part of his or her rent as such gas and/or electric charges are accounted for by the New York City Housing Authority.

Such HUD-determined Fair Market Rents will be published in the Federal Register, to take effect on **October 1, 2012**.

DECONTROLLED UNITS

The permissible increase for decontrolled units as referenced in Order 3a which become decontrolled after **September 30, 2012**, shall be the greater of:

- (1) **30%** above the maximum base rent, or
- (2) The Fair Market Rent for existing housing as established by the United States Department of Housing and Urban Development (HUD) for the New York City Primary Metropolitan Statistical Area pursuant to Section 8(c) (1) of the United States Housing Act of 1937 (42 U.S.C. section 1437f [c] [1]) and 24 C.F.R. Part 888, with such Fair Market Rents to be adjusted based upon whether the tenant pays his or her own gas and/or electric charges as part of his or her rent as such gas and/or electric charges are accounted for by the New York City Housing Authority.

Such HUD-determined Fair Market Rents will be published in the Federal Register, to take effect on **October 1, 2012**.

CREDITS

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

STATEMENT OF BASIS AND PURPOSE

The Rent Guidelines Board is authorized to promulgate rent guidelines governing apartment units subject to the Rent Stabilization Law of 1969, as amended, and the Emergency Tenant Protection Act of 1974, as amended. The purpose of these guidelines is to implement the public policy set forth in Findings and Declaration of Emergency of the Rent Stabilization Law of 1969 (§26-501 of the N.Y.C. Administrative Code) and in the Legislative Finding contained in the Emergency Tenant Protection Act of 1974 (L.1974 c. 576, §4 [§2]).

The Rent Guidelines Board is also authorized to promulgate rent guidelines for loft units subject to Section 286 subdivision 7 of the Multiple Dwelling Law. The purpose of the loft guidelines is to implement the public policy set forth in the Legislative Findings of Article 7-C of the Multiple Dwelling Law (Section 280).

Dated: **June 21, 2012**

Jonathan L. Kimmel
Chair
New York City Rent Guidelines Board

EXPLANATORY STATEMENT - APARTMENT ORDER #44

Explanatory Statement and Findings of the Rent Guidelines Board In Relation to 2012-13 Lease Increase Allowances for Apartments and Lofts under the Jurisdiction of the Rent Stabilization Law¹

Summary of Order No. 44

The Rent Guidelines Board (RGB) by Order No. 44 has set the following maximum rent increases for leases subject to

renewal on or after October 1, 2012 and on or before September 30, 2013 for **apartments** under its jurisdiction:

For a **one**-year renewal lease commencing on or after October 1, 2012 and on or before September 30, 2013: **2% or \$20 whichever is greater**

For a **two**-year renewal lease commencing on or after October 1, 2012 and on or before September 30, 2013: **4% or \$40 whichever is greater**

¹ This Explanatory Statement explains the actions taken by the Board members on individual points and reflects the general views of those voting in the majority. It is not meant to summarize all the viewpoints expressed.

VACANCY ALLOWANCE

The vacancy allowance is now determined by a formula set forth in the State Rent Regulation Reform Act of 1997 and in Chapter 97 of the Laws of 2011, not by the Orders of the Rent Guidelines Board.

SUBLET ALLOWANCE

The increase landlords are allowed to charge when a rent stabilized apartment is sublet by the primary tenant to another tenant on or after October 1, 2012 and on or before September 30, 2013 shall be **10%**.

ADJUSTMENTS FOR LOFTS

For **Loft units** to which these guidelines are applicable in accordance with Article 7-C of the Multiple Dwelling Law, the Board established the following maximum rent increases for increase periods commencing on or after October 1, 2012 and on or before September 30, 2013. No vacancy allowance is included for lofts.

For **one**-year increase periods commencing on or after **October 1, 2012** and on or before **September 30, 2013**: **2% or \$20 whichever is greater**

For **two**-year increase periods commencing on or after **October 1, 2012** and on or before **September 30, 2013**: **4% or \$40 whichever is greater**

The guidelines do not apply to hotel, rooming house, and single room occupancy units that are covered by separate Hotel Orders.

Any increase for a renewal lease may be collected no more than once during the guideline period governed by Order No. 44.

SPECIAL GUIDELINE

Leases for units subject to rent control on September 30, 2012 that subsequently become vacant and then enter the stabilization system are not subject to the above adjustments. Such newly stabilized rents are subject to review by the State Division of Housing and Community Renewal (DHCR). In order to aid DHCR in this review the Rent Guidelines Board has set a special guideline of whichever is greater:

1. **30%** above the maximum base rent, or
2. The Fair Market Rent for existing housing as established by the United States Department of Housing and Urban Development (HUD) for the New York City Primary Metropolitan Statistical Area pursuant to Section 8(c) (1) of the United States Housing Act of 1937 (42 U.S.C. section 1437f [c] [1]) and 24 C.F.R. Part 888, with such Fair Market Rents to be adjusted based upon whether the tenant pays his or her own gas and/or electric charges as part of his or her rent as such gas and/or electric charges are accounted for by the New York City Housing Authority.

Such HUD-determined Fair Market Rents will be published in the Federal Register, to take effect on October 1, 2012.

All rent adjustments lawfully implemented and maintained under previous apartment Orders and included in the base rent in effect on **September 30, 2012** shall continue to be included in the base rent for the purpose of computing subsequent rents adjusted pursuant to this Order.

BACKGROUND OF ORDER NO. 44

The Rent Guidelines Board is mandated by the Rent Stabilization Law of 1969 (Section 26-510(b) of the NYC Administrative Code) to establish annual guidelines for rent adjustments for housing accommodations subject to that law and to the Emergency Tenant Protection Act of 1974. In order to establish guidelines the Board must consider, among other things:

- (1) the economic condition of the residential real estate industry in the affected area including such factors as the prevailing and projected (i) real estate taxes and sewer and water rates, (ii) gross operating and maintenance costs (including insurance rates, governmental fees, cost of fuel and labor costs), (iii) costs and availability of financing (including effective rates of interest), (iv) overall supply of housing accommodations and overall vacancy rates;
- (2) relevant data from the current and projected cost of living indices for the affected area;
- (3) such other data as may be made available to it.

The Board gathered information on the above topics by means of public meetings and hearings, written submissions by the public, and written reports and memoranda prepared by the Board's staff. The Board calculates rent increase allowances on the basis of cost increases experienced in the past year, its forecasts of cost increases over the next year, its determination of the relevant operating and maintenance cost-to-rent ratio, and other relevant information concerning

the state of the residential real estate industry.

Material Considered by the Board

Order No. 44 was issued by the Board following **two** public hearings, **seven** public meetings, its review of written submissions provided by the public, and a review of research and memoranda prepared by the Board's staff. Approximately 47 written submissions were received at the Board's offices from many individuals and organizations including public officials, tenants and tenant groups, and owners and owner groups. The Board members were provided with copies of public comments received by the **June 18, 2012** deadline. All of the above listed documents were available for public inspection.

Open meetings of the Board were held following public notice on March 22, April 5, April 19, April 26, and May 31, 2012. On **May 1, 2012**, the Board adopted proposed rent guidelines for apartments, lofts, and hotels.

Public hearings were held on **June 13, 2012** and **June 18, 2012** pursuant to Section 1043 of the New York City Charter and Section 26-510(h) of the New York City Administrative Code. Testimony on the proposed rent adjustments for rent-stabilized apartments and lofts was heard from **4:30 P.M. to 7:15 P.M. on June 13, 2012** and from **10:00 A.M. to 6:05 P.M. on June 18, 2012**. Both hearings ended when all those who were in attendance who wished to testify did so and there were no additional speakers. Testimony from members of the public speaking at these hearings was added to the public record. The Board heard testimony from **approximately** 40 apartment tenants and tenant representatives, 32 apartment owners and owner representatives, and 2 public officials. In addition, 10 speakers read into the record written testimony from various public officials. On **June 21, 2012** the guidelines set forth in Order No. 44 were adopted.

A written transcription and/or audio recording was made of all proceedings.

PRESENTATIONS BY RGB STAFF AND HOUSING EXPERTS INVITED BY MEMBERS OF THE BOARD

Each year the staff of the New York City Rent Guidelines Board is asked to prepare numerous reports containing various facts and figures relating to conditions within the residential real estate industry. The Board's analysis is supplemented by testimony from industry and tenant representatives, housing experts, and by various articles and reports gathered from professional publications.

Listed below are the other experts invited and the dates of the public meetings at which their testimony was presented:

<i>Meeting Date / Name</i>	<i>Affiliation</i>
March 22, 2012:	Staff presentation, <i>2012 Mortgage Survey Report</i>

	<u>NYC Department of Housing Preservation and Development (HPD) testimony</u>
1. Joseph Rosenberg	Senior Counsel, State Legislative Affairs

April 5, 2012:	Staff presentation, <i>2012 Income and Affordability Study</i>
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April 19, 2012:	<u>Staff presentations</u>
	<i>2012 Price Index of Operating Costs</i>
	<i>2012 Income and Expense Study</i>

	<u>Fuel Oil Emissions Panel:</u>
1. Steven Caputo	Policy Advisor, NYC Mayor's Office of Long-Term Planning and Sustainability
2. Geraldine Kelpin	Director, Air and Noise Enforcement and Policy Division, NYC Department of Environmental Protection
3. Robert Daly	Technical Director, Boiler Division, NYC Department of Buildings

April 26, 2012:	<u>Apartment Owners group testimony:</u>
1. Jack Freund	Rent Stabilization Association (RSA)
2. Patrick Siconolfi	Community Housing Improvement Program (CHIP)
3. Hershel Weiss	Ashokan Water Services

	<u>Apartment Tenants group testimony:</u>
1. Timothy Collins, Esq.,	Collins, Dobkin & Miller LLP
2. Victor Bach	Community Service Society
3. Moses Gates	Association for Neighborhood and Housing Development
4. Tom Waters	Community Service Society

	<u>Hotel Tenants group testimony:</u>
1. Larry Wood	Goddard Riverside Family Council
2. Daniel L. Parcerisas	SRO Law Project at Goddard Riverside Community Center
3. Brian Sullivan	SRO Law Project at MFY Legal Services, Inc.

May 31, 2012:	<u>Staff presentations</u>
	<i>2012 Housing Supply Report</i>
	<i>Changes to the Rent Stabilized Housing Stock in New York City in 2011</i>

	<u>NYS Division of Housing and Community Renewal (DHCR) testimony</u>
1. Woody Pascal	Deputy Commissioner for Rent Administration
2. Guy Alba	Assistant Commissioner for Research and Analysis
3. Michael Rosenblatt	Assistant Commissioner for Rent Administration

NYC Department of Finance testimony
Assistant Commissioner

1. Sara Meyers

SELECTED EXCERPTS FROM ORAL AND WRITTEN TESTIMONY FROM TENANTS AND TENANT GROUPS²

Comments from tenants and tenant groups included:

"In light of rent escalation trends that persisted before and since the recession struck the city, it would appear that the private rental industry has not suffered a decline as a result of the economic crisis, certainly not a decline comparable to the losses in income and employment that continue to beset New York renters, particularly low-income tenants. Continuing high demand in a market short of affordable rental opportunities, along with growing difficulties in sustaining or financing home ownership, may have spurred greater returns for apartment building owners."

"On the tenant side the cost of renting a stabilized apartment has risen to a median of 35.2% of income according to 2011 HVS data – up from 31.7% found in the 2008 HVS. This dramatic and unwarranted increase is larger than any previously recorded for a three year period by any HVS survey. Simply put, it means that rent now consumes an additional 4.5% of all tenant income. That increase in rent burdens more than wipes out all gains in median income for rent stabilized households since 2004 (when median incomes were \$35,500 compared with \$37,000 in 2011). These are the highest rent burdens ever recorded for stabilized households."

"Since at least 2008, the Price Index of Operating Costs (PIOC) projections, which are used by the RGB to estimate the costs of building operations for the upcoming year, have far outstripped the actual amount landlords reported spending on their buildings... The disparities between projected and actual expenses in recent years is significant, and has led to an increase in net operating income for landlords for the sixth consecutive year, at the expense of working poor and middle income New Yorkers"

"If the middle class is to continue to live in NYC, and not have it become a city only of the very rich or poor, the assumption that rents must go up every year or two should be reassessed. As you know, there has been an erosion of salary buying power but the rents, for no good reason, go up every year. Given the state of the economy I would propose freezing increases for one and two year leases, or at most increase at the bare minimum."

"When the New York Real Estate Industry wants higher rents, they focus on the Mom and Pop landlords, the small guys who can actually need help at times. But when this Board grants generous increases year after year, it is the largest landlords with thousands of apartments who benefit most, especially in Manhattan where rents are almost obscene and have little relation to landlord costs. I pay more than half of my retirement income to the landlord for rent."

² Sources: Submissions by tenant groups and testimony by tenants.

SELECTED EXCERPTS FROM ORAL AND WRITTEN TESTIMONY FROM OWNERS AND OWNER GROUPS³

Comments from owners and owner groups included:

"This year's 2.8% Price Index is deceptively low, driven down by an unusually warm winter and sharp drops in the price of gas and electricity. The core Price Index, at an average of 5% over the last five years, is more representative of the level of cost increases propelled principally by large increases in real estate taxes and water and sewer charges. Unfunded government mandates are a growing cost for owners and should be accounted for by the RGB as factors not included in the Price Index. Operating margins are slim for a large percentage of the affordable housing stock outside of Manhattan with owners unable to absorb cost increases that are not passed on to tenants. The majority of middle-income stabilized tenants have reasonable rent burdens and can sustain moderate rent increases without affecting affordability."

"CHIP recommends guidelines increases as follows: 5% for a one-year renewal; 9% for a two-year renewal; and a low rent supplement. CHIP recommends that the RGB enact a low rent supplement. Low rent supplements are important because many apartments' rents do not cover the actual cost of providing the apartment. The average income per apartment of \$1,171 must be measured against the cost of providing that apartment, not simply the partial operating expenses which the RGB recognizes in the PIOC."

"I am the owner of a six family house in Woodside, Queens. I think I struggle to pay my bills, because to go to the bank to withdraw money from my savings to pay my water, my taxes and my heating is not financially sound."

"To help remedy the gap between expenses and low rents, I ask you to pass increases of 5% or a minimum of \$50 for a one-year lease (whichever is greater) and 9% or a minimum of \$90 for a two-year lease. Such a formula allows the Board to set more flexible, equitable guidelines. It should be used in this and future years to bring more reason and justice to the rent regulation system."

"Whatever you decide for percentage increase is not going to be enough to cover the injustices in an unjust system. ...Affordable housing has been my life's work. My company has renovated every property in our portfolio. I have not one rent near \$2,000. I have hundreds of apartments under \$750. Its costs approximately \$750 per apartment just cover basic expenses! We need to maintain our properties; provide good maintenance; pay our bills. This is impossible with these low rents. We need a supplement to help raise these low rents to a sensible number. I recommend that rents below \$750 be given a \$100 supplemental increase."

³ Sources: Submissions by owner groups and testimony by owners

SELECTED EXCERPTS FROM ORAL AND WRITTEN TESTIMONY FROM PUBLIC OFFICIALS⁴

Comments from public officials included:

"The current situation is not sustainable. Rents are rising while people are losing jobs or having their hours cut back, or working at jobs that don't pay a living wage. The rent burden in New York City is 35%—that is the highest it has ever been. And one-third of New Yorkers who live in rent stabilized apartments—where we would expect rents to be affordable—are spending 50% of their total income on rent. Shelter is a basic human necessity, but the tenants in my district are telling me stories of having to cut back on other real necessities like food and medicine for themselves and their children in order to keep a roof over their heads."

"Across our country and here in New York, the costs of food, energy, and healthcare have gone up, even as our slow economy forces people to do more with less. In New York City, the unemployment rate remains uncharacteristically high, standing at over 9%. Our economy is still on a fragile road to recovery. Unduly raising rents on millions of middle class New Yorkers is not a recipe for economic recovery. Two and a half million middle class New Yorkers live in rent-protected apartments. If we lose our middle class, our city loses its economic base."

"Owners' costs are way down while their profits are higher and remain healthy. And the economy is still sluggish at best. Any increase above 2 percent is not supported by the data. I urge the Rent Guidelines Board to consider my testimony and keep rent stabilized housing affordable for the one million tenants who call these apartments home. There is no justification for a high rent increase this year, and I strongly recommend that the rent increase be kept to a minimum."

"Any approved rent increases by the RGB would only increase landlord profits and further chip away at New York City's affordable housing stock, which lost more than 6,000 units in 2011, 34% more than in 2010. The citywide vacancy rate has dropped to 3.12%, legally constituting a housing emergency...Therefore, I urge the RGB impose a freeze on rents for all rent regulated apartments as well as lofts, hotels, rooming houses, single room occupancy buildings and lodging houses."

"Once again, I want to oppose any minimum rent increase for low rent apartments. This policy – often referred to as a 'poor tax' – directly targets low income tenants. It is unfair and wrongly targets our residents that have been hardest hit by the recession and slow recovery."

⁴ Sources: Submissions by public officials.

FINDINGS OF THE RENT GUIDELINES BOARD

RENT GUIDELINES BOARD RESEARCH

The Rent Guidelines Board based its determination on its consideration of the oral and written testimony noted above, as well as upon its consideration of statistical information prepared by the RGB staff set forth in these findings and the following reports:

- 1) *2012 Mortgage Survey Report*, March 2012, (An evaluation of recent underwriting practices, financial availability and terms, and lending criteria);
- 2) *2012 Income and Expense Study*, April 2012, (Based on income and expense data provided by the Finance Department, the *Income and Expense Study* measures rents, operating costs and net operating income in rent stabilized buildings);
- 3) *2012 Income and Affordability Study*, April 2012, (Includes employment trends, housing court actions, changes in eligibility requirements and public benefit levels in New York City);
- 4) *2012 Price Index of Operating Costs*, April 2012, (Measures the price change for a market basket of goods and services which are used in the operation and maintenance of stabilized buildings);
- 5) *2012 Housing Supply Report*, May 2012, (Includes new housing construction measured by certificates of occupancy in new buildings and units authorized by new building permits, tax abatement and exemption programs, and cooperative and condominium conversion and construction activities in New York City); and,
- 6) *Changes to the Rent Stabilized Housing Stock in NYC in 2011*, May 2012, (A report quantifying all the events that lead to additions to and subtractions from the rent stabilized housing stock).

The six reports listed above may be found in their entirety on the RGB's website, nycrgb.org, and are also available at the RGB offices, 51 Chambers St., Suite 202, New York, NY 10007 upon request.

2012 PRICE INDEX OF OPERATING COSTS FOR RENT STABILIZED APARTMENT HOUSES IN NEW YORK CITY

The *2012 Price Index of Operating Costs* for rent stabilized apartment houses in New York City found a 2.8% increase in costs for the period between March 2011 and March 2012.

This year, the PIOC for all rent stabilized apartment buildings increased by 2.8%, 3.3 percentage points less than

the PIOC percentage change from the year before (6.1% in 2011). The PIOC was driven upward by a significant increase in the real estate tax component of 7.5%. More moderate increases were seen in Contractor Services (3.2%), Administrative Costs (2.6%), Insurance Costs (2.5%), Labor Costs (2.5%) and Fuel Oil costs (1.6%). The Parts and Supplies and Replacement Costs components, each of which carry very little weight in the PIOC, increased 3.7% and 3.2% respectively. In contrast, the Utilities component declined 4.0%. The growth in the Consumer Price Index (CPI) during this same time period was slightly higher than the PIOC, rising 3.0%.

The "core" PIOC, which excludes erratic changes in fuel oil, natural gas, and electricity costs, is useful for analyzing long-term inflationary trends. The core PIOC rose by 5.0% this year and was higher than the overall PIOC due to the exclusion of fuel oil costs, which witnessed moderate growth, and natural gas costs, which declined significantly.

Table 1

Item	2011-12 Percentage Changes in Components of the Price Index of Operating Costs for Rent Stabilized Apartment Houses in New York City ⁵	
	Expenditure Weights	2011-12 Percentage Δ
Taxes	28.33%	7.47%
Labor Costs	12.92%	2.49%
Fuel Oil	13.30%	1.63%
Utilities	17.50%	-4.01%
Contractor Services	11.91%	3.25%
Administrative Costs	7.17%	2.58%
Insurance Costs	6.84%	2.51%
Parts & Supplies	1.43%	3.70%
Replacement Costs	0.61%	3.23%
All Items	100%	2.77%

Source: *2012 Price Index of Operating Costs for Rent Stabilized Apartment Houses in New York City*.
Note: The Δ symbol means change.

⁵ Totals may not add due to weighting and rounding.

On April 24, 2012 the staff of the Rent Guidelines Board released a memo to Board members with additional information concerning the 2012 Price Index of Operating Costs. Below is the memo in its entirety:

At the April 19, 2012 Price Index of Operating Costs presentation, board members asked for more detailed data regarding the results of the heating characteristics survey sent to owners as part of the annual owner survey. There were 577 responses to this survey, but note that not every respondent answered every question. Results for several of the questions follow.

Question 1. Was this building constructed before 1947?
Yes: 507 (88%)
No: 70 (12%)

Question 3. Who is responsible for electricity costs in the individual apartments of this building?
Tenant: 525 (95%)
Owner: 27 (5%)

Question 4. What is the heating system in this building?
Heating Oil-only Burner: 248 (43%)
Natural Gas-only Burner: 300 (52%)
Dual-Fuel Burner: 25 (4%)
Purchased Steam: 2 (0.3%)
Electricity: 0 (0%)

Question 5. If you used any Heating Oil over the last 12 months, which grade of oil did you use?
#2 Oil: 227 (83%)
#4 Oil: 27 (10%)
#6 Oil: 17 (6%)
#4/#6: 1 (0.4%)

Question 6. If you used any Natural Gas for heating over the last 12 months:

a: From whom did you purchase it?
Con Edison: 97 (31%)

National Grid: 209 (66%)
Other: 12 (4%)

b: Are you an interruptible or temperature-controlled Natural Gas customer?
Yes: 111 (44%)
No: 142 (56%)

A copy of the Heating Characteristics section of the survey follows on the next page.

D. HEATING CHARACTERISTICS

1. Was this building constructed before 1947? (circle one) Yes No
2. How many apartments are in this building? (Please include all apartments, regardless of their rent regulation status) _____ (apartments)
3. Who is responsible for electricity costs in the individual apartments of this building? (circle one) Tenant Owner
4. What is the heating system in this building? (check one)
 - ___ Heating Oil-only Burner (see Question 5, then Question 8)
 - ___ Natural Gas-only Burner (skip ahead to Question 6, then Question 8)
 - ___ Dual-Fuel Burner (please complete Questions 5 through 8)
 - ___ Purchased Steam (skip ahead to Question 8)
 - ___ Electricity (skip ahead to Question 8)
5. If you used any Heating Oil over the last 12 months, which grade of oil did you use? (check one)
 - ___ #2 Oil ___ #4 Oil ___ #6 Oil
 - Name of Supplier: _____
6. If you used any Natural Gas for heating over the last 12 months:
 - a: From whom did you purchase it? (check one)
 - ___ Con Edison
 - ___ National Grid
 - ___ Other (Name of Supplier): _____
 - b: Are you an interruptible or temperature-controlled Natural Gas customer? (check one)
 - ___ Yes ___ No
7. If you have a Dual-Fuel burner, what is your best estimate of the percent of total heating costs in this building over the last 12 months accounted for by Heating Oil and Natural Gas (total should equal 100%)?
 - ___ Heating Oil (%) ___ Natural Gas (%)
8. What was the total cost for each of the fuels you used for heating this building in 2011? (note that it is not necessary to provide costs for utilities not used for heating, such as electricity in the common areas)
 - \$ _____ (Heating Oil) \$ _____ (Natural Gas)
 - \$ _____ (Steam) \$ _____ (Electricity)

LOCAL LAW 63/ INCOME & EXPENSE REVIEW

The sample size for the *Income and Expense (I&E) Study* includes almost 16,200 properties containing almost 719,000 units. This is the 20th year that staff has been able to obtain longitudinal data in addition to cross-sectional data. The RGB staff found the following average monthly (per unit) operating and maintenance (O&M) costs in 2011 Real Property Income and Expense (RPIE) statements for the year 2010:

Table 2

2012 Income and Expense Study Average Monthly Operating and Maintenance Costs Per Unit		
Total	Pre '11	Post '11
	\$759	\$855
		All Stabilized
		\$790

Source: *2012 Income and Expense Study*, from 2011 Real Property Income and Expense filings for 2010, NYC Department of Finance.

In 1992, the Board benefited from the results of audits conducted on a stratified sample of 46 rent stabilized buildings by the Department of Finance. Audited income and expense (I&E) figures were compared to statements filed by owners. On average the audits showed an 8% over-reporting of expenses. The categories, which accounted for nearly all of the expense over reporting, were maintenance, administration, and "miscellaneous." The largest over-reporting was in miscellaneous expenses.

If we assume that an audit of this year's I&E data would yield similar findings to the 1992 audit, one would expect the average O&M cost for stabilized buildings to be \$725, rather than \$790. As a result, the following relationship between operating costs and residential rental income was suggested by the Local Law 63 data:

Table 2(a)

2010 Operating Cost to Rent/Income Ratio Adjusted to 1992 Audit					
	O&M Costs ⁶	Rent	O&M to Rent Ratio	Income	O&M to Income Ratio
All stabilized	\$725	\$1,037	0.699	\$1,171	0.620

Source: 2012 Income and Expense Study, from 2011 Real Property Income and Expense filings for 2010, NYC Department of Finance.

⁶ Overall O&M expenses were adjusted according to the findings of an income and expenses audit conducted by the Department of Finance in 1992. The unadjusted O&M to Rent ratio would be 0.761. The unadjusted O&M to Income ratio would be 0.675.

On April 19, 2012 the staff of the Rent Guidelines Board released a memo to Board members with additional information concerning RPIE cost-to-income ratios by decile. Below is the memo in its entirety:

As per a board member's request for the distribution of operating costs in relation to total income in buildings by deciles, the following breaks down data by borough and citywide. The data was provided by the NYC Department of Finance and derived from cross-sectional 2010 RPIE data, as referenced in the 2012 Income and Expense Study.

The figures for each of the deciles represent the percentage of buildings with cost-to-income ratios at or below those figures. For instance, looking at the 70% decile Queens cell below means 70% of stabilized buildings in Queens have cost-to-income ratios at or below 0.74. Another example: Looking at the 90% decile in Brooklyn shows that 90% of stabilized buildings in Brooklyn have cost-to-income ratios at or below 0.93. A final example: Looking at the 50% decile Citywide, half of all stabilized buildings Citywide have cost-to-income ratios of 0.68 or less.

Cost-to-Income Ratios						
Deciles	Manh	Bronx	Brooklyn	Queens	SI	Citywide
# Bldgs	6,906	3,511	3,789	1,894	89	16,189
10%	0.50	0.56	0.51	0.50	0.48	0.51
20%	0.54	0.61	0.57	0.55	0.53	0.56
30%	0.58	0.66	0.61	0.59	0.60	0.60
40%	0.61	0.69	0.64	0.62	0.65	0.64
50%	0.65	0.73	0.68	0.66	0.68	0.68
60%	0.70	0.77	0.71	0.70	0.71	0.72
70%	0.76	0.81	0.76	0.74	0.76	0.77
80%	0.84	0.88	0.83	0.79	0.80	0.84
90%	0.97	0.99	0.93	0.87	0.85	0.95
100%	5.14	2.82	3.07	3.16	1.33	5.14

Source: NYC Department of Finance, 2010 RPIE filings

On April 24, 2012 the staff of the Rent Guidelines Board released a memo to Board members with additional information concerning NOI growth and renter household income by neighborhood. Below is the memo in its entirety:

The 2012 Income and Expense (I&E) Study revealed that from 2009 to 2010, Net Operating Income (NOI) rose an average of 1.8% and median NOI increased 6.5% citywide. In order to conduct a more in-depth analysis in the change in NOI, staff presented the average change in NOI by neighborhood, in a map of Community Districts in NYC. (See page 14 of the 2012 I&E Study)

As per a board member's request for a more detailed look at NOI growth by neighborhood, the following tables present, by borough, the average NOI per unit per month in 2009 and 2010, as well as the percentage change between these two years. Also included is the same analysis for median NOI per neighborhood. These numbers are based on RPIE longitudinal data obtained by the NYC Department of Finance, as referenced in the 2012 Income and Expense Study.

Also requested, and presented in these tables, is 2010 median renter household income, as derived from the recently released 2011 NYC Housing and Vacancy Survey (HVS). However, the HVS breaks down neighborhoods differently than RPIE data. RPIE data is broken down by Community District, while HVS data is broken down by Subboros. In most neighborhoods, these are the same areas. However, in two boroughs, some areas differ. In the Bronx, HVS Subboro #1 combines CD's 1 and 2, while HVS Subboro #2 combines CD's 3 and 4. In Manhattan Subboro #1 combines CD's 1 and 2, while HVS Subboro #3 combines CD's 4 and 5. Subboros that combine CD's are indicated in the tables below under the HVS Subboro Name column.

CD #	CD Name	Average		Median		2010 Median Renter Household Income
		2009 NOI	% Change NOI	2009 NOI	% Change NOI	
01	Mott Haven/Port Morris	\$146	48.6%	\$191	8.9%	\$16,764
02	Hunts Point/Longwood	\$161	3.7%	\$139	3.6%	\$20,219
03	Morrisania/Metrose/Claremont	\$101	42.6%	\$93	34.4%	\$25,000
04	Highbridge/S. Concourse	\$219	9.6%	\$245	1.2%	\$20,200
05	University Heights/Fordham	\$203	\$221	\$207	7.7%	\$27,280
06	E. Tremont/Belmont	\$159	22.0%	\$165	21.2%	\$30,000
07	Kingsbridge Hts./Moshulu/Norwood	\$237	8.4%	\$251	4.0%	\$28,400
08	Riverdale/Kingsbridge	\$272	8.8%	\$278	11.5%	\$42,800
09	Soundview/Parkchester	\$220	5.9%	\$223	9.9%	\$37,000
10	Throgs Neck/Co-op City	\$237	-3.8%	\$263	-3.0%	\$27,400
11	Pelham Parkway	\$255	4.3%	\$284	5.6%	\$27,400
12	Williamsbridge/Baychester	\$244	-4.5%	\$249	0.4%	\$27,400

CD #	CD Name	Average		Median		2010 Median Renter Household Income
		2009 NOI	% Change NOI	2009 NOI	% Change NOI	
01	Williamsburg/Greenpoint	\$240	19.2%	\$249	5.2%	\$45,000
02	Brooklyn Hts./Fort Greene	\$432	6.7%	\$446	3.4%	\$46,800
03	Bedford Stuyvesant	\$124	53.2%	\$155	10.3%	\$28,100
04	Bushwick	\$162	59.9%	\$211	35.1%	\$35,000
05	East New York/Starett City	\$121	82.6%	\$178	15.2%	\$28,000
06	Park Slope/Carroll Gardens	\$435	2.3%	\$404	14.6%	\$65,000
07	Sunset Park	\$266	15.8%	\$285	7.7%	\$35,000
08	Prospect Hts.	\$247	11.7%	\$225	7.6%	\$35,000
09	South Crown Hts.	\$245	13.9%	\$242	14.9%	\$39,800
10	Bay Ridge	\$293	8.5%	\$297	3.7%	\$40,000
11	Bensonhurst	\$224	20.5%	\$254	8.7%	\$34,200
12	Borough Park	\$269	11.2%	\$290	9.3%	\$29,960
13	Coney Island	\$333	5.1%	\$331	3.9%	\$24,828
14	Flatbush	\$271	7.0%	\$290	10.7%	\$42,200
15	Sheepshead Bay/Gravesend	\$272	12.1%	\$327	5.8%	\$30,000
16	Brownsville/Ocean Hill	\$203	15.8%	\$178	15.7%	\$20,219
17	East Flatbush	\$249	8.3%	\$265	0.8%	\$36,000
18	Flatlands/Canarsie	\$302	0.7%	\$299	-2.3%	\$35,935

CD #	CD Name	Average		Median		2010 Median Renter Household Income
		2009 NOI	% Change NOI	2009 NOI	% Change NOI	
01	Financial District	excluded*	-6.3%	\$674	-11.9%	\$90,000
02	Greenwich Village	\$745	\$765	\$522	4.8%	\$97,564
03	Lower East Side/Chinatown	\$528	1.1%	\$541	-3.3%	\$75,000
04	Chelsea/Clinton	\$668	-7.2%	\$523	6.3%	\$80,000
05	Midtown	\$905	4.2%	\$912	0.3%	\$85,000
06	Stuyvesant Town/Turtle Bay	\$763	-3.5%	\$718	-10.1%	\$33,189
07	Upper West Side	\$697	-2.6%	\$646	-7.2%	\$31,000
08	Upper East Side	\$704	\$624	\$579	10.6%	\$40,000
09	Morningside Hts./Hamilton Hts.	\$246	7.3%	\$209	20.1%	\$31,000
10	Central Harlem	\$211	10.9%	\$194	20.1%	\$40,000
11	East Harlem	\$331	\$271	\$292	7.7%	\$80,000
12	Washington Hts./Inwood	\$269	1.9%	\$240	4.2%	\$75,000

*CD's with fewer than 35 stab bldgs are excluded from this analysis

		Queens				Staten Island			
		Average		Median		Average		Median	
CD #	CD Name	2009 NOI	2010 NOI	% Change NOI	2009 NOI	2010 NOI	% Change NOI	2009 NOI	2010 NOI
01	Astoria	\$298	\$332	11.4%	\$323	\$361	11.8%	\$250	\$327
02	Sunnyside/Woodside	\$310	\$343	10.6%	\$349	\$369	5.7%	\$250	\$327
03	Jackson Hts.	\$283	\$326	15.2%	\$320	\$353	4.1%	excluded*	excluded*
04	Elmhurst/Corona	\$336	\$342	1.8%	\$356	\$379	6.5%	excluded*	excluded*
05	Middle Village/Ridgewood	\$245	\$269	9.8%	\$239	\$280	17.2%	excluded*	excluded*
06	Forest Hills/Rego Park	\$404	\$395	-2.2%	\$397	\$421	6.0%	excluded*	excluded*
07	Flushing/Whitestone	\$343	\$337	-1.7%	\$366	\$408	10.6%	excluded*	excluded*
08	Hillcrest/Fresh Meadows	\$386	\$403	4.4%	\$369	\$408	10.6%	excluded*	excluded*
09	Kew Gardens/Woodhaven	\$311	\$355	14.1%	\$296	\$356	20.3%	excluded*	excluded*
10	Howard Beach/	excluded*	excluded*						
11	S. Ozone Park*	excluded*	excluded*						
12	Bayside/Little Neck	\$315	\$332	5.4%	\$323	\$337	4.3%		
13	Jamaica								
14	Bellerose/Rosedale								
	Rockaways								

*CD's with fewer than 35 stab bldgs are excluded from this analysis

FORECASTS OF OPERATING AND MAINTENANCE PRICE INCREASES FOR 2011-12

In order to decide upon the allowable rent increases for two-year leases, the RGB considers price changes for operating costs likely to occur over the next year. In making its forecasts the Board relies on expert assessments of likely price trends for the individual components, the history of changes in prices for the individual components and general economic trends. The Board's projections for 2012-13 are set forth in Table 3, which shows the Board's forecasts for price

increases for the various categories of operating and maintenance costs.

Table 3

	Price Index		Projected Price Index
	2011-12	2012-13	
Taxes	7.5%	6.4%	
Labor Costs	2.5%	4.0%	
Fuel Oil	1.6%	21.4%	
Utilities	-4.0%	7.0%	
Contractor Services	3.2%	2.7%	
Administrative Costs	2.6%	3.2%	
Insurance Costs	2.5%	0.0%	
Parts & Supplies	3.7%	2.0%	
Replacement Costs	3.2%	1.8%	
Total (Weighted)	2.8%	7.0%	

Source: 2012 Price Index of Operating Costs for Rent Stabilized Apartment Houses in New York City, which includes the 2013 PIOC Projection.

Overall, the PIOC is expected to grow by 7.0% from 2012 to 2013. Costs are predicted to rise in each component except Insurance, where costs are anticipated to remain flat. Fuel Oil, the most volatile PIOC component, is expected to increase the greatest proportion, by 21.4%. Taxes, the component that carries the most weight in the Index, is projected to increase 6.4% while the Utilities component is anticipated to increase 7.0%. More moderate increases are projected in Labor (4.0%), Administrative Costs (3.2%) and Contractor Services (2.7%). The Parts and Supplies and Replacement Costs components are expected to rise 2.0% and 1.8%, respectively. The table on this page shows predicted changes in PIOC components for 2013. The core PIOC is projected to rise 4.6%, less than the overall PIOC.

COMMENSURATE RENT ADJUSTMENT

Throughout its history, the Rent Guidelines Board has used a formula, known as the commensurate rent adjustment, to help determine annual rent guidelines for rent stabilized apartments. In essence, the "commensurate" combines various data concerning operating costs, revenues, and inflation into a single measure indicating how much rents would have to change for net operating income (NOI) in stabilized buildings to remain constant. The different types of "commensurate" adjustments described below are primarily meant to provide a foundation for discussion concerning prospective guidelines.

In its simplest form, the commensurate rent adjustment is the amount of rent change needed to maintain landlords' current dollar NOI at a constant level. In other words, the formula provides a set of one- and two-year renewal rent increases or guidelines that will compensate owners for the change in prices measured by the PIOC and keep net operating income "whole."

The first commensurate method is called the "Net Revenue" approach. While this formula takes into consideration the types of leases actually signed by tenants, it does not adjust landlords' NOI for inflation. The "Net Revenue" formula is presented in two ways: First, adjusting for the mix of lease terms; and Second, adding an assumption for stabilized apartment turnover and the impact of revenue from vacancy increases. Under the "Net Revenue" formula, a guideline that would preserve NOI in the face of this year's 2.8% increase in the PIOC is 2.25% for a one-year lease and 4.0% for a two-year lease. Using this formula and adding assumptions for the impact of vacancy increases on revenues when apartments experience turnover result in guidelines of 1.25% for one-year leases and 2.0% for two-year leases.

The second commensurate method considers the mix of lease terms while adjusting NOI upward to reflect general inflation, keeping both operating and maintenance (O&M) costs and NOI constant. This is commonly called the "CPI-Adjusted NOI" formula. A guideline that would preserve NOI in the face of the 3.0% increase in the Consumer Price Index and the 2.8% increase in the PIOC is 3.75% for a one-year lease and 6.0% for a two-year lease. Guidelines using this formula and adding the estimated impact of vacancy increases are 2.5% for one-year leases and 4.0% for two-year leases.⁷

The "traditional" commensurate adjustment is the formula that has been in use since the inception of the Rent Guidelines Board. The "traditional" commensurate yields 1.9% for a one-year lease and 4.3% for a two-year lease. This reflects the increase in operating costs of 2.8% found in the 2012 PIOC and the projection of a 7.0% increase next year.⁸

As a means of compensating for cost changes, this "traditional" commensurate rent adjustment has two major flaws. First, although the formula is supposed to keep landlords' current dollar income constant, the formula does not consider the mix of one- and two-year lease renewals. Since only about three-fifths of leases are renewed in any given year, with a preponderance of leases having a two-year duration, the formula does not necessarily accurately estimate the amount of income needed to compensate landlords for O&M cost changes.

A second flaw of the "traditional" commensurate formula is that it does not consider the erosion of landlords' income by inflation. By maintaining current dollar NOI at a constant level, adherence to the formula may cause profitability to decline over time. However, such degradation is not an inevitable consequence of using the "traditional" commensurate formula.⁹

All of these methods have their limitations. The "traditional" commensurate formula is artificial and does not consider the impact of lease terms or inflation on landlords' income. The "Net Revenue" formula does not attempt to adjust NOI based on changes in interest rates or deflation of landlord profits. The "CPI-Adjusted NOI" formula inflates the debt service portion of NOI, even though interest rates have been generally falling, rather than rising, over recent years. Including a consideration of the amount of income owners receive on vacancy assumes that turnover rates are constant across the City.

Finally, it is important to note that only the "traditional" commensurate formula uses the PIOC projection and that this projection is not used in conjunction with or as part of the "Net Revenue" and "CPI-Adjusted NOI" formulas. As stated previously, all three formulas attempt to compensate owners for the adjustment in their operating and maintenance costs measured each year in the PIOC. The "Net Revenue" and the "CPI-Adjusted NOI" formulas attempt to compensate owners for the adjustment in O&M costs by using only the known PIOC change in costs (2.8%). The traditional method differs from the other formulas in that it uses both the PIOC's actual change in costs as well as the projected change in costs (7.0%). If the change in projected costs, which may not be an accurate estimate of owner's costs, is added to the "Net Revenue" and "CPI-Adjusted NOI" formulas, the resulting guidelines will likely over- or under-compensate for the change in costs.

Each of these formulae may be best thought of as a starting point for deliberations. The other Rent Guidelines Board annual research reports (e.g., the *Income and Affordability Report* and the *Income and Expense Study*) and testimony to the Board can be used to modify the various estimates depending on these other considerations.

⁷ The following assumptions were used in the computation of the commensurates: (1) the required change in landlord revenue is 67.5% of the 2012 PIOC increase of 2.8%, or 1.9%. The 67.1% figure is the most recent ratio of average operating costs to average income in stabilized buildings; (2) for the "CPI-Adjusted NOI" commensurate, the increase in revenue due to the impact of inflation on NOI is 32.5% times the latest 12-month increase in the CPI ending February 2012 (3.0%) or 0.97%; (3) these lease terms are only illustrative—other combinations of one- and two-year guidelines could produce the adjustment in revenue; (4) assumptions regarding lease renewals and turnover were derived from the 2008 Housing and Vacancy Survey; (5) for the commensurate formulae, including a vacancy assumption, the 7.32% median increase in vacancy leases found in the rent stabilized apartments that reported a vacancy lease in the 2011 apartment registration file from the Division of Housing and Community Renewal was used; and (6) the collectability of these commensurate adjustments are assumed.

⁸ Calculating the "traditional" commensurate rent adjustment requires an assumption about next year's PIOC. In this case, the 7.0% PIOC projection for 2013 is used.

⁹ Whether profits will actually decline depends on the level of inflation, the composition of NOI (i.e., how much is debt service and how much is profit), and changes in tax law and interest rates.

On April 24, 2012 the staff of the Rent Guidelines Board released a memo to Board members comparing the net revenue commensurate with vacancy and the RGB final guidelines. Below is the memo in its entirety:

Per a request by Mr. Cheigh, please find attached a historic record of the "Net Revenue Commensurate Adjustment with Vacancy Assumptions" for the past 10 years in comparison with the RGB Final Guidelines. In addition, Mr. Cheigh requested inclusion of the growth in NOI in these years as

Net Revenue Commensurate Rent Increases w/ Vacancy Allowances Compared to the RGB Final Guidelines, 2002-2011

Year	PIOC Δ Change 3-year Avg.	Net Revenue with Vacancy Allowance		Final Guidelines		NOI Change
		1 Year Renewal	2 Year Renewal	1 Year Renewal	2 Year Renewal	
2002	-1.6%	-5.0%	-3.5%	2.0%	4.0%	-0.1%
2003	16.9%	12.0%	16.0%	4.5%	7.5%	-8.7%
2004	6.9%	7.4%	7.5%	3.5% (3%)	6.5% (6%)	-
2005	5.8%	9.9%	4.75%	2.75% (2.25%)	5.5% (4.5%)	1.6%
2006	7.8%	6.8%	5.0%	4.25% (3.75%)	7.25% (6.75%)	8.8%
2007	5.1%	3.25%	5.75%	3.0%	5.75%	9.3%
2008	7.8%	6.9%	4.75%	4.5% (4.0%)	8.5% (8.0%)	5.8%
2009	4.0%	5.6%	1.75%	3.0% (2.5%)	6.0% (5.0%)	5.8%
2010	3.4%	5.1%	2.3%	2.25%	4.5%	1.8%
2011	6.1%	4.5%	6.5%	3.75%	7.25%	N/A

1) Provided, however, that where the most recent vacancy lease was executed six years or more prior to the date of the renewal lease under this Order, the following shall instead apply: For a one-year renewal lease: 4.5% or \$45, whichever is greater (tenants paying heat, 4.0% or \$40, whichever is greater). For a two-year renewal lease: 8.5% or \$85, whichever is greater (tenants paying heat, 8.0% or \$80, whichever is greater).
 2) Provided, however, that where the most recent vacancy lease was executed six years or more prior to the date of the renewal lease under this Order, the following shall instead apply: For a one-year renewal lease: 3.0% or \$30, whichever is greater (tenants paying heat, 2.5% or \$25, whichever is greater). For a two-year renewal lease: 6.0% or \$60, whichever is greater (tenants paying heat, 5.0% or \$50, whichever is greater).
 *For Tenants who pay for heat separately
 **NOI Growth could not be calculated for 2004
 Source: Price Index of Operating Costs, 2002-2011, Income and Expense Studies, 2004-2012

Consideration of Other Factors

Before determining the guideline, the Board considered other factors affecting the rent stabilized housing stock and the economics of rental housing.

EFFECTIVE RATES OF INTEREST

The Board took into account current mortgage interest rates and the availability of financing and refinancing. It reviewed the staff's 2012 Mortgage Survey Report of lending institutions. Table 4 gives the reported rate and points for the past nine years as reported by the mortgage survey.

Table 4

2012 Mortgage Survey ¹⁰																		
Average Interest Rates and Points for New and Refinanced Permanent Mortgage Loans 2004-2012																		
Year	New Financing of Permanent Mortgage Loans, Interest Rate and Points						Refinancing of Permanent Mortgage Loans, Interest Rate and Points											
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2004	2005	2006	2007	2008	2009	2010	2011	2012
Avg. Rates	5.8%	5.5%	6.3%	6.3%	5.9%	6.5%	6.3%	5.8%	4.6%	5.7%	5.5%	6.3%	6.2%	5.8%	6.5%	6.3%	5.7%	4.7%
Avg. Points	0.67	0.56	0.44	0.61	0.47	0.62	0.79	0.61	0.63	0.60	0.56	0.44	0.61	0.44	0.62	0.83	0.61	0.63

Source: 2004-2012 Annual Mortgage Survey Reports, RGB.

¹⁰ Institutions were asked to provide information on their "typical" loan to rent stabilized buildings. Data for each variable in any particular year and from year to year may be based upon responses from a different number of institutions.

CONDITION OF THE RENT STABILIZED HOUSING STOCK

The Board reviewed the number of units that are moving out of the rental market due to cooperative and condominium conversion.

Table 5

	Number of Cooperative / Condominium Plans ¹¹ Accepted for Filing, 2003-2011										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2010	2011
New Construction	190	268	361	644	573	454	335	236	210		
Conversion Non-Eviction	10	16	24	53	66	50	29	20	22		
Conversion Eviction	0	15	18	13	16	18	13	4	9		
Rehabilitation	18	18	6	0	8	4	1	0	0		
Total	218	317	409	710	663	526	378	260	243		
Subtotal:											
HPD Sponsored Plans	0	15	18	13	16	18	13	4	9		

Source: New York State Attorney General's Office, Real Estate Financing.

¹¹ The figures given above for eviction and non-eviction plans include those that are abandoned because an insufficient percentage of units were sold within the 15-month deadline. In addition, some of the eviction plans accepted for filing may have subsequently been amended or resubmitted as non-eviction plans and therefore may be reflected in both categories. HPD sponsored plans are a subset of the total plans.

CONSUMER PRICE INDEX

The Board reviewed the Consumer Price Index. Table 6 shows the percentage change for the NY-Northeastern NJ Metropolitan area since 2005.

Table 6

Percentage Changes in the Consumer Price Index for the New York City - Northeastern New Jersey Metropolitan Area, 2005-2012 (For "All Urban Consumers")								
	2005	2006	2007	2008	2009	2010	2011	2012
1st Quarter Avg. ¹²	4.1%	3.4%	2.9%	3.7%	1.3%	2.1%	2.0%	2.7%
Yearly Avg.	3.9%	3.8%	3.9%	0.4%	1.7%	2.8%	2.8%	--

Source: U.S. Bureau of Labor Statistics.

¹² 1st Quarter Average refers to the change of the CPI average of the first three months of one year to the average of the first three months of the following year.

CALCULATING OF THE CURRENT OPERATING AND MAINTENANCE EXPENSE TO RENT RATIO

Each year the Board estimates the current average proportion of the rent roll which owners spend on operating and maintenance costs. This figure is used to ensure that the rent increases granted by the Board compensate owners for the increases in operating and maintenance expenses. This is commonly referred to as the O&M to rent ratio.

With current longitudinal income and expense data, staff has constructed an index, using 1989 as a base year. Except for the last three years, this index measures changes in building income and operating expenses as reported in annual income and expense statements. The second and third to last years in the table will reflect actual PIOC increases and projected rent changes. The last year in the table - projecting into the future - will include staff projections for both expenses and rents. This index is labeled as Table 7.

However, this index is not without limitations. First, as noted, for the past and coming year the index will continue to rely upon the price index and staff rent and cost projections. Second, while this table looks at the overall relationship between costs and income, it does not measure the specific impact of rent regulation on that relationship.

Table 7

Year ¹³	Revised Calculation of Operating and Maintenance Cost Ratio for Rent Stabilized Buildings from 1989 to 2013		
	Average Monthly O & M Per d.u. ¹⁴	Average Monthly Income Per d.u.	Average O & M to Income Ratio
1989	\$370 (\$340)	\$567	.65 (.60)
1990	\$382 (\$351)	\$564	.68 (.62)
1991	\$382 (\$351)	\$559	.68 (.63)
1992	\$395 (\$363)	\$576	.69 (.63)
1993	\$409 (\$376)	\$601	.68 (.63)
1994	\$415 (\$381)	\$628	.66 (.61)
1995	\$425 (\$391)	\$657	.65 (.59)
1996	\$444 (\$408)	\$679	.65 (.60)
1997	\$458 (\$421)	\$724	.63 (.58)
1998	\$459 (\$422)	\$755	.61 (.56)
1999	\$464 (\$426)	\$778	.60 (.55)
2000	\$503 (\$462)	\$822	.61 (.56)
2001	\$531 (\$488)	\$868	.61 (.56)
2002	\$570 (\$524)	\$912	.63 (.57)
2003	\$618 (\$567)	\$912	.68 (.62)
2004	\$654 (\$601)	\$969	.67 (.62)
2005	\$679 (\$624)	\$961	.71 (.65)
2006	\$695 (\$638)	\$1,009	.69 (.63)
2007	\$738 (\$678)	\$1,088	.68 (.62)
2008	\$790 (\$726)	\$1,129	.70 (.64)
2009	\$781 (\$717)	\$1,142	.68 (.63)
2010	\$790 (\$726)	\$1,171	.67 (.62)
2011 ¹⁵	\$838 (\$770)	\$1,227	.68 (.63)
2012 ¹⁶	\$862 (\$791)	\$1,275	.68 (.62)
2013 ¹⁷	\$922 (\$847)	\$1,330	.69 (.64)

Source: RGB Income and Expense Studies, 1989-2012, Price Index of Operating Costs 2010 - 2012, RGB Rent Index for 2010 - 2012.

¹³ The O&M and income data from 2007 to 2010 has been revised from that reported in previous explanatory statements to reflect actual, rather than estimated, expense and income data.

¹⁴ Operating and expense data listed is based upon unaudited filings with the Department of Finance. Audits of 46 buildings conducted in 1992 suggest that expenses may be overstated by 8% on average. See *Rent Stabilized Housing in New York City, A Summary of Rent Guidelines Board Research 1992*, pages 40-44. Figures in parentheses are adjusted to reflect these findings.

¹⁵ Estimated expense figure includes 2010 expense updated by the PIOC for the period from 3/1/10 through 2/28/11 (6.1%). Income includes the income estimate for 2010 updated by staff estimate based upon renewal guidelines and choice of lease terms for a period from 3/1/10 through 2/28/11 (4.81% - i.e., the 10/1/09 to 9/30/10 rent projection (5.82%) times (.583), plus the 10/1/10 to 9/30/11 rent projection (3.40%) times (.417)).

¹⁶ Estimated expense figure includes 2011 expense updated by the PIOC for the period from 3/1/11 through 2/29/12 (2.8%). Income includes the income estimate for 2011 updated by staff estimate based upon renewal guidelines and choice of lease terms for a period from 3/1/11 through 2/29/12 (3.87% - i.e., the 10/1/10 to 9/30/11 rent projection (3.40%) times (.583), plus the 10/1/11 to 9/30/12 rent projection (4.53%) times (.417)).

¹⁷ Estimated expense figure includes 2012 expense estimate updated by the staff PIOC projection for the period from 3/1/12 through 2/28/13 (7.0%). Income includes the income estimate for 2012 updated by staff estimate based upon renewal guidelines and choice of lease terms for a period from 3/1/12 through 2/28/13 (4.29% - i.e., the 10/1/11 to 9/30/12 rent projection (4.53%) times (.583), plus the 10/1/12 to 9/30/13 rent projection (3.95%) times (.417)).

CHANGES IN HOUSING AFFORDABILITY

Preliminary results from the 2011 Housing and Vacancy Survey were released in February of this year, and show that the vacancy rate for New York City is currently 3.12%. Approximately 45% of renter households in NYC are rent stabilized, with a vacancy rate of 2.63%. The survey also shows that the median household income in 2010 was \$37,000 for rent stabilized tenants, versus \$38,500 for all renters. The median gross rent for rent stabilized tenants was also slightly lower than that of all renters, at \$1,160 versus \$1,204 for all renters. And rent stabilized tenants saw a median gross rent-to-income ratio of 35.2% in 2011, compared to 33.8% for all renters.

Looking at New York City's economy during 2011, it showed both strengths and weaknesses as compared with the preceding year. Positive indicators include citywide unemployment rates decreasing to 9.0% during 2011, a 0.5 percentage point decrease from the prior year. In addition, employment levels grew, for the second year in a row, increasing 2.0% in 2011. Inflation-adjusted wages also increased 1.3% during the most recent 12-month period (the fourth quarter of 2010 through the third quarter of 2011). Gross City Product also increased for the second consecutive year, rising in real terms by 3.2% in 2011.

Q2. How many rent stabilized apartment vacancy leases were registered with DHCR citywide and by borough for each of the last six years?

The table below breaks down the number of registered vacancy leases with the DHCR citywide and by borough annually from 2006 to 2011. Manhattan witnessed the highest number of vacancies over this time period, averaging over 21,000 per year.

Year	S.I.	Queens	Manh	Bklyn	Bronx	Total
2011	667	13,867	20,722	17,113	15,097	67,466
2010	643	14,190	22,346	17,026	16,157	70,362
2009	635	13,549	20,163	16,705	17,522	68,574
2008	718	14,781	20,566	17,911	17,671	71,647
2007	814	14,817	21,408	17,973	17,277	72,289
2006	820	15,956	23,404	19,697	17,914	77,791
Mean	716	14,527	21,435	17,738	16,940	71,355

Source: Data provided by DHCR to questions submitted by the members of the RGB, 2006 to 2011.

On June 19, 2012, a memo was distributed to the Board from the RGB's owner representatives clarifying their proposal for a minimum rent increase. Below is the memo in its entirety:

We would like to clarify the owners' proposal for a minimum dollar increase which is based on the formulation that the RGB approved in Orders #40 and #41.

The need for a minimum rent increase is based on the mathematical fact that a percentage increase applied to a low rent will yield a lower dollar amount than the same percentage increase applied to a higher rent. So, for example, a 3% increase will yield a monthly rent increase of \$45 on a \$1,500 rent, \$30 on a \$1,000 rent and only \$15 on a \$500 rent.

Under the model previously established by the RGB, a guideline with a minimum dollar amount would provide for a rent increase of 3% or \$30 whichever is greater. So the increase for the \$1,500 rent and the \$1,000 rent would remain the same as in the example above, but the \$500 rent would be increased by \$30 rather than \$15, an incremental increase of \$15.

This is important because the RGB assumes its guidelines will produce sufficient revenue to cover increased operating costs based on the average rent. But if an owner has a property with an above average number of low rent units, the guidelines will not produce enough revenue to cover cost increases.

Other formulations are possible. Prior to Order #40, the RGB enacted guidelines that provided an additional dollar amount for rents below a specific level. It is essential that the RGB enact guidelines that allow owners to cover their costs. To achieve the necessary revenue, lower guideline increases require higher minimum rent increases and, without a minimum rent increase, the guidelines need to be significantly higher.

On June 20, 2012, a memo was distributed to the Board from New York State Tenants & Neighbors in response to the RGB's owner representatives memo of June 19 calling for the Board to adopt minimum rent increases. Below is the memo in its entirety:

In response to the letter circulated by the Owner Representatives on the Rent Guidelines Board regarding their proposal for a minimum dollar increase, we would like to share a few pieces of data from the most recent Housing Vacancy Survey.

The Housing Vacancy Survey data shows that a minimum dollar increase would disproportionately impact the most vulnerable rent stabilized tenants. The following chart shows that rent stabilized apartments with relatively low rents are,

by and large, occupied by low income tenants. This is especially true in the case of the lowest rent apartments, which are over 80% occupied by the poor and near poor. Apartments between \$500 and \$1,000 are split fairly evenly between poor, near-poor and middle income tenants, with very few high earning tenants living in these units. Rent stabilized apartments over \$1,000, which would not be subject to the minimum dollar increase, are split more evenly between low and high earning households.

Who Lives in Stabilized Low Rent Apartments?

Rent class	Income brackets						Total
	Poor	Near-poor	Middle	Upper middle	High	Total	
Rent below \$500	44.9%	35.3%	11.1%	5.9%	2.7%	100.0%	
Rent \$500 to \$1,000	21.7%	28.4%	28.9%	14.4%	6.5%	100.0%	
Rent at least \$1,000	14.9%	18.0%	25.1%	26.6%	15.4%	100.0%	
Total	18.4%	22.5%	26.2%	21.3%	11.6%	100.0%	

This data suggests that a minimum rent increase would disproportionately impact low income rent stabilized tenants, who are the least capable of absorbing a supplemental increase. With rent burdens already at record high levels, we are concerned that a minimum rent increase could push working families further into economic distress. We strongly encourage the Rent Guidelines Board not to adopt any policies that would single out the poorest New Yorkers for additional rent increases.

Definition of terms:

- Poor: below 100 percent of the federal poverty threshold (\$17,552 for two adults and a child)
- Near poor: 100 to below 200 percent (\$35,104).
- Middle income: 200 to below 400 percent (\$70,208).
- Upper middle: 400 to below 800 percent (\$140,416).
- High income: 800 percent or more.

ADJUSTMENTS FOR UNITS IN THE CATEGORY OF BUILDINGS COVERED BY ARTICLE 7-C OF THE MULTIPLE DWELLING LAW (LOFTS)

Section 286 sub-division 7 of the Multiple Dwelling Law states that the Rent Guidelines Board "shall annually establish guidelines for rent adjustments for the category of buildings covered by this article." In addition, the law specifically requires that the Board, "consider the necessity of a separate category for such buildings, and a separately determined guideline for rent adjustments for those units in which heat is not required to be provided by the owner, and may establish such separate category and guideline."

In 1986, Abt Associates Inc. conducted an expenditure study of loft owners to construct weights for the Loft Board's index of operating costs and to determine year-to-year price changes. In subsequent years, data from the PIOC for stabilized apartments was used to compute changes in costs and to update the loft expenditure weights. This is the procedure used this year.

The increase in the Loft Index this year was 3.7%, 0.9 percentage points higher than the increase for apartments. This difference is explained by the fact that the Utilities component decreased by just 0.25% for Lofts versus the decrease in Apartments of 4.0%. This smaller decrease in Utilities placed less downward pressure on the Loft Index resulting in an increase in the overall Loft Index that was higher than the PIOC for Apartments.

This year's guidelines for lofts are: **2% or \$20 whichever is greater** for a one-year lease and **4% or \$40 whichever is greater** for a two-year lease.

Table 9

Loft O & M Price Index Change	All Buildings
3.7%	

Source: 2012 Price Index of Operating Costs for Rent Stabilized Apartment Houses in New York City.

SPECIAL GUIDELINES FOR VACANCY DECONTROLLED UNITS ENTERING THE STABILIZED STOCK

Pursuant to Section 26-513(b) of the New York City Administrative Code, as amended, the Rent Guidelines Board establishes a special guideline in order to aid the State Division of Housing and Community Renewal in determining fair market rents for housing accommodations that enter the stabilization system. This year, the Board set the guidelines at the greater of the following:

- (1) 30% above the Maximum Base Rent, or
- (2) The Fair Market Rent for existing housing as established by the United States Department of Housing and Urban Development (HUD) for the New York City Primary Metropolitan Statistical Area pursuant to Section 8(c) (1) of the United States Housing Act of 1937 (42 U.S.C. section 1437f [c] [1]) and 24 C.F.R. Part 888, with such Fair Market Rents to be adjusted based upon whether the tenant pays his or her own gas and/or electric charges as part of his or her rent as such gas and/or electric charges are accounted for by the New York City Housing Authority.

The Board concluded that for units formerly subject to rent control, either an increase to rent levels reflecting the Fair Market Rent guidelines established by the U.S. Department of Housing and Urban Development (HUD), or 30% above the maximum base rent was a desirable minimum increase. Notably, the HUD guidelines differentiate minimum rents on the basis of bedroom count.

INCREASE FOR UNITS RECEIVING PARTIAL TAX EXEMPTION PURSUANT TO SECTION 421 AND 423 OF THE REAL PROPERTY TAX LAW

The guideline percentages for 421-A and 423 buildings were set at the same levels as for leases in other categories of stabilized apartments.

This Order does not prohibit the inclusion of the lease provision for an annual or other periodic rent increase over the initial rent at an average rate of not more than 2.2 per cent per annum where the dwelling unit is receiving partial tax exemption pursuant to Section 421-A of the Real Property Tax Law. The cumulative but not compound charge of up to 2.2 per cent per annum as provided by Section 421-A or the rate provided by Section 423 is in addition to the amount permitted by this Order.

VACANCY ALLOWANCE

As of June 15, 1997, Vacancy Allowances are now determined by a formula set forth in the State Rent Regulation Reform Act of 1997 and in Chapter 97 of the Laws of 2011.

SUBLET ALLOWANCE

The increase landlords are allowed to charge under Order #44 when a rent stabilized apartment is sublet by the primary tenant to another tenant on or after October 1, 2012 and on or before September 30, 2013 shall be 10%.

VOTES

The votes of the Board on the adopted motion pertaining to the provisions of Order #44 were as follows:

	Yes	No	Abstentions
Guidelines for Apartment Order #44	5	4	-

Dated: June 22, 2012
Filed with the City Clerk: June 27, 2012

Jonathan L. Kimmel
Chair
NYC Rent Guidelines Board

- (2) *2012 Income and Affordability Study*, April 2012 (Includes employment trends, housing court actions, changes in eligibility requirements and public benefit levels in New York City);
- (3) *2012 Price Index of Operating Costs*, April 2012 (Measures the price change for a market basket of goods and services which are used in the operation and maintenance of stabilized hotels);
- (4) *2012 Housing Supply Report*, May 2012 (Includes information on the conversion of Hotels to luxury apartments and transient use, new housing construction measured by certificates of occupancy in new buildings and units authorized by new building permits, tax abatement and exemption programs, and cooperative and condominium conversion and construction activities in New York City); and,
- (5) *Changes to the Rent Stabilized Housing Stock in NYC in 2011*, May 2012 (A report quantifying all the events that lead to additions to and subtractions from the rent stabilized housing stock).

The five reports listed above may be found in their entirety on the RGB's website, www.nycrgb.org, and are also available at the RGB offices, 51 Chambers St., Suite 202, New York, NY upon request.

PRICE INDEX OF OPERATING COSTS FOR RENT STABILIZED HOTEL UNITS

The Hotel Price Index includes separate indices for each of three categories of rent stabilized hotels (due to their dissimilar operating cost profiles) and a general index for all stabilized Hotels. The three categories of hotels are: 1) "traditional" hotels — a multiple dwelling which has amenities such as a front desk, maid or linen services; 2) Rooming Houses — a multiple dwelling other than a hotel with thirty or fewer sleeping rooms; and 3) single room occupancy hotels (SROs) — a multiple dwelling in which one or two persons reside separately and independently of other occupants in a single room.

The Price Index for all stabilized Hotels rose 3.7% this year, a significantly smaller increase than the 7.6% rise in 2011. The Price Index for Hotels was 0.9 percentage points higher than the increase in costs measured in the Apartment Price Index. Significant disparities between the Hotel Index and the Apartment Index were seen in the Tax and Utilities components. Taxes for Hotels increased at a higher pace (11.0%) than the increase for apartments (7.5%). In contrast, the decrease in Utilities for all types of Hotels was 9.1%, versus the 4.0% decline for apartment buildings.

In addition to the changes in costs in Taxes and Utilities mentioned above, increases were seen in the remaining Hotel cost components. Contactor Services increased 4.3% and Labor by 2.7% while Administrative Costs and Insurance rose at the same rate (2.5%). Fuel Oil costs, which make up roughly 16% of the PIOC for hotels, rose 1.4%. Parts and Supplies and Replacement Costs, which carry very little weight in the Hotel Index, rose 2.5% and 2.0%, respectively. See the table on this page for changes in costs and prices for all rent stabilized hotels from 2011-2012.

Among the different categories of Hotels, the index for "traditional" hotels increased 6.7%, which was higher than increases for both Rooming Houses (3.7%) and SROs (1.3%). The differences between these indices are due to the increased weight and more rapid increase in costs in the Tax component for "traditional" hotels.

Percent Change in the Components of the Price Index of Operating Costs March 2011 to March 2012, By Hotel Type and All Hotels

Spec #	Item Description	Hotel	RH	SRO	All Hotels
101	TAXES, FEES, & PERMITS	15.8%	8.2%	7.0%	11.0%
205-206, 208-216	LABOR COSTS	2.9%	2.4%	2.3%	2.7%
301-303	FUEL	1.3%	0.3%	2.6%	1.4%
401-407, 409-410	UTILITIES	-10.3%	0.6%	-	-9.1%
501-509, 511-516, 518	CONTRACTOR SERVICES	5.1%	3.6%	2.7%	4.3%
601-608	ADMINISTRATIVE COSTS	2.6%	2.2%	2.4%	2.5%
701	INSURANCE COSTS	2.5%	2.5%	2.5%	2.5%
801-816	PARTS AND SUPPLIES	1.7%	4.1%	3.2%	2.5%
901-904, 907-911	REPLACEMENT COSTS	1.8%	2.2%	2.3%	2.0%
	ALL ITEMS	6.7%	3.7%	1.3%	3.7%

SOURCE: 2012 PRICE INDEX OF OPERATING COSTS

CHANGES IN HOUSING AFFORDABILITY

Preliminary results from the *2011 Housing and Vacancy Survey* were released in February of this year, and show that the vacancy rate for New York City is currently 3.12%. Approximately 45% of renter households in NYC are rent stabilized, with a vacancy rate of 2.63%. The survey also shows that the median household income in 2010 was \$37,000 for rent stabilized tenants, versus \$38,500 for all renters. The median gross rent for rent stabilized tenants was also slightly lower than that of all renters, at \$1,160 versus \$1,204 for all renters. And rent stabilized tenants saw a median gross rent-to-income ratio of 35.2% in 2011, compared to 33.8% for all renters.

Looking at New York City's economy during 2011, it showed both strengths and weaknesses as compared with the preceding year. Positive indicators include citywide unemployment rates decreasing to 9.0% during 2011, a 0.5 percentage point decrease from the prior year. In addition, employment levels grew, for the second year in a row, increasing 2.0% in 2011. Inflation-adjusted wages also increased 1.3% during the most recent 12-month period (the fourth quarter of 2010 through the third quarter of 2011). Gross City Product also increased for the second consecutive year, rising in real terms by 3.2% in 2011.

Negative indicators included a 7.7% increase in evictions, despite the number of "calendered" non-payment filings in Housing Court declining 0.8%. In addition, cash assistance levels increased for the third consecutive year, increasing by 0.4% between 2010 and 2011. The number of food stamp recipients also rose, increasing for the ninth consecutive year, by 4.9% in 2011. In addition, homelessness rose over 2010 levels, increasing to an average of almost 38,000 persons a night, a 4.4% increase.

The most recent numbers, from the fourth quarter of 2011 (as compared to the fourth quarter of 2010), show that homeless levels were up 8.4%, food stamp caseloads were up 1.5%, and non-payment housing court filings were up 5.5%. However, calendered non-payment housing court cases fell by 1.9%, employment levels were up 1.5%, unemployment levels remained at 9.0%, and GCP rose by 2.5%.

CONSUMER PRICE INDEX

The Board reviewed the Consumer Price Index. The table that follows shows the percentage change for the NY-Northeastern NJ Metropolitan area since 2004.

Percentage Changes in the Consumer Price Index for the New York City - Northeastern New Jersey Metropolitan Area, 2004-2012 (For "All Urban Consumers")									
	2004	2005	2006	2007	2008	2009	2010	2011	2012
1st Quarter Avg. ²³	2.8%	4.1%	3.4%	2.9%	3.7%	1.3%	2.1%	2.0%	2.7%
Yearly Avg.	3.5%	3.9%	3.8%	2.8%	3.9%	0.4%	1.7%	2.8%	-

Source: U.S. Bureau of Labor Statistics.

²³ 1st Quarter Average refers to the change of the CPI average of the first three months of one year to the average of the first three months of the following year.

EFFECTIVE RATES OF INTEREST

The Board took into account current mortgage interest rates and the availability of financing and refinancing. It reviewed the staff's *2012 Mortgage Survey Report* of lending institutions. The table below gives the reported rate and points for the past ten years as reported by the *Mortgage Survey*.

Avg. Points	Refinancing of Permanent Mortgage Loans, Interest Rate and Points									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	0.81	0.67	0.56	0.44	0.61	0.47	0.62	0.79	0.61	0.63
Avg. Rates	6.2%	5.7%	5.5%	6.3%	6.2%	5.8%	6.5%	6.3%	5.7%	4.7%
Avg. Points	0.78	0.60	0.56	0.44	0.61	0.44	0.62	0.83	0.61	0.63

2012 Mortgage Survey ²⁴										
Average Interest Rates and Points for New and Refinanced Permanent Mortgage Loans 2003-2012										
New Financing of Permanent Mortgage Loans, Interest Rate and Points										
Avg. Rates	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
		6.2%	5.8%	5.5%	6.3%	6.3%	5.8%	6.5%	6.3%	5.8%

Source: 2003-2012 Annual Mortgage Surveys, RGB.

²⁴ Institutions were asked to provide information on their "typical" loan to rent stabilized buildings. Data for each variable in any particular year and from year to year may be based upon responses from a different number of institutions.

HOTEL CONVERSION

Conversion of single room occupancy (SRO) buildings also continued over the past year. SRO owners may convert SRO housing to other uses after obtaining a "Certificate of No Harassment" from HPD. Certificates are down for the seventh consecutive year, falling to 100 in 2011, down from 107 in 2010, and more than 200 in each year from 2004-2006.²⁵ Efforts are also underway to ensure that SROs are used for permanent housing rather than as transient hotels. As of May 1, 2011, laws were newly passed strengthening the City's ability to crack down on housing being used illegally for transient occupancy. Transient occupancy is now clearly defined as stays of less than 30 days, and between May of 2011 and April of 2012 1,820 violations (ranging from \$800 to \$2,000) were issued to illegal hotel operators.²⁶

²⁵ NYC Department of Housing Preservation and Development.
²⁶ Mayor Bloomberg Announces Results of City's Efforts to Curb Dangerous Illegal Hotels in New York City After State Legislation Enhances Enforcement Abilities." *Mayor's Office Press Release 157-12*. April 27, 2012.

OTHER RELEVANT INFORMATION

On June 12, 2012, staff released a memo to the Board analyzing hotel data contained in the NYS Division of Housing and Community Renewal's 2011 apartment and building registration databases. Below is the memo in its entirety. This memo is an update to staff memos released June 4, 2007 and June 4, 2009, which analyzed hotel registration data filed with DHCR in 2005 and 2008, respectively. Staff members recently analyzed the 2011 DHCR registration database for data related to hotels, SROs, and rooming houses (hereafter referred to only as "hotels"). In 2011, 549 buildings, that were identified by owners as hotels, registered units with DHCR.²⁷ Within these 549 buildings, 17,663 individual apartment registrations were filed, 12,148 of which were identified by owners as being "rent stabilized" and the balance (5,515 units) were identified as being either "permanently exempt," "temporarily exempt," or "vacant." A total of 54 buildings (9.8% of the total) consisted entirely of exempt units.²⁸

Building owners/managers were asked to identify which of their units were temporarily or permanently exempt from rent stabilization laws. In 2011, 97 units were reported as being permanently exempt (0.5% of the total number of registered rent stabilized hotel units), while 3,587 units were reported as temporarily exempt (20.3% of the total number of registered rent stabilized hotel units). The most commonly reported reason for being temporarily exempt is "Hotel/SRO (Transient)" status, as was the classification given to 2,880 (80.3%) units. Less common was "Not Prime Residence" (151 units, or 4.2%) and "Owner Occupancy/Employee" (239 units,

or 6.7%). Among permanently exempt units, 71 (73.2%) were reported as being deregulated due to High Rent/Vacancy Decontrol, while just a few were reported as being deregulated due to substantial rehabilitation or other reasons. In general, units that are temporarily exempt are either rented at what the market will bear, for as little as one night, or rented to government agencies, not-for-profit organizations, or universities as temporary housing. In addition, 1,831 units were registered with DHCR as "Vacant."

In past memos, RGB staff has relied upon data provided by the Dept. of Finance and the Dept. of Housing Preservation and Development to ascertain the number of units actually present in rent stabilized hotels (as opposed to just the number that are registered). This data was used to analyze the proportion of units in buildings that were rent stabilized, per provisos in the guidelines that authorized increases only to those buildings that were being used predominately for permanent rent stabilized housing. For the purposes of this memo, staff has determined that too many inconsistencies occur in these outside sources to deem them reliable. Therefore, we rely solely on data provided in the 2011 DHCR building and apartment registration files, and will analyze data for all units registered as "rent stabilized" in those files (as opposed to units in just those buildings that are less than 90% occupied by rent stabilized tenants, as per the proviso in the 2012 proposed guidelines for hotel units).

The analysis starts by looking at the reported legal rents of those units identified as rent stabilized by building owners. The legal rents are the maximum amount that a landlord is able to charge to tenants (or government agencies subsidizing tenants), but do not necessarily reflect what a tenant is actually paying. Owners can choose to charge tenants a lower rent than legally allowed (known as "preferential rent") and owners are also asked to provide DHCR on data for subsidized tenants, whose "actual" rents are the rents actually paid out of pocket by tenants, with the balance being made up by various government agencies. See the tables below for detailed information on legal, preferential, and actual rents paid by rent stabilized hotel tenants.

²⁷ Note that in the memo released on June 4, 2009 (which analyzed 2008 DHCR hotel data), a total of 472 hotel buildings were reported as being registered with DHCR. As a point of clarification, 472 buildings could be matched to either Dept. of Finance or Dept. of Housing Preservation and Development data, which provided an outside source of the number of units in the building (and which were used in the analysis of most data provided in the memo). The number of hotel buildings actually registered in 2008 with DHCR was 549, the same as 2011.

²⁸ All data in this memo is based on owner-reported information as reported to DHCR in their 2011 registration database.

²⁹ "Rent stabilized" refers to those hotel units that are identified as rent stabilized, as opposed to permanently exempt, temporarily exempt, or vacant.

Table 1 shows the number of rent stabilized units and buildings that registered legal rents with DHCR in 2011. It also provides the median and mean legal rents for these units, by borough, and Citywide. These rents reflect the maximum amount that owners could charge for their units, as of April 2011.

TABLE 1: MEDIAN AND MEAN "LEGAL" RENTS FOR UNITS IDENTIFIED AS RENT STABILIZED (EXCLUDES EXEMPT AND VACANT UNITS)

Borough	# of Stabilized Units	# of Stabilized Buildings	Median Legal Rent	Mean Legal Rent
Bronx	1,023	48	\$1,063	\$1,094
Brooklyn	3,252	162	\$1,044	\$1,426
Manhattan	7,023	213	\$1,160	\$2,315
Queens	718	65	\$1,200	\$1,195
Staten Island	102	7	\$831	\$817
Citywide	12,118	495	\$1,094	\$1,895

Source: 2011 DHCR Building and Apartment Registration filings

Table 2 illustrates the median and mean "preferential" rents for the over one-third (38.4%) of rent stabilized units that reported charging one. Also shown is the percentage difference from the median and mean legal rents of just those units with reported preferential rents.

TABLE 2: MEDIAN AND MEAN "PREFERENTIAL" RENTS FOR UNITS IDENTIFIED AS RENT STABILIZED (EXCLUDES EXEMPT AND VACANT UNITS)

Borough	# of Stabilized Units	Median		Mean	
		Preferential Rent	% Difference from Legal Rent*	Preferential Rent	% Difference from Legal Rent*
Bronx	354	\$809	-38%	\$841	-42%
Brooklyn	1,233	\$1,125	-21%	\$1,333	-36%
Manhattan	2,871	\$2,254	-41%	\$2,335	-44%
Queens	175	\$1,129	-29%	\$1,110	-28%
Staten Island	17	\$950	-1%	\$928	-6%
Citywide	4,650	\$1,149	-28%	\$1,905	-42%

Source: 2011 DHCR Building and Apartment Registration filings

*Refers to the legal rents of just those units that reported preferential rents.

³⁰ Upon a close examination of the DHCR apartment registration file, 175 units in three buildings (one each in Brooklyn, Manhattan, and Queens) were found to have erroneously registered almost all the "preferential" rents in their buildings as "actual" rents. In these 175 cases, the "actual" rent that they registered was \$1,129, which was the HUD Fair Market Rent level for studio apartment in 2010/2011. These building owners identified their tenants as receiving subsidies from a variety of government programs, including principally Shelter Plus and Section 8. By knowing that these tenants were part of government subsidy programs, we can infer that they actually paid significantly less than \$1,129 a month (although the owner did receive this amount through a combination of payments from the tenant and the government). As such, these 175 units were altered to make \$1,129 the "preferential" rent, while the "actual" rent field was modified to be blank, as we do not know the true out of pocket rents for these tenants. Absent these modifications, the means and medians reported in Tables 2-4 would be somewhat different. Note that the balance of units in the DHCR registration files may or may not have been registered correctly. DHCR registration files are submitted by owners, and staff cannot verify the accuracy of every record. For the purposes of this memo, we are assuming that all other registrations were accurate.

Table 3 shows the median and mean "actual" rents paid by one-quarter (23.7%) of rent stabilized hotel tenants. These are the rents that are paid by tenants out of pocket, with the balance being paid by government programs such as Section 8, Shelter Plus or SCRIE. Also included are the mean and median legal rents of just those apartments reporting "actual" rents. Theoretically, the owners of the 2,877 units reporting actual rents can receive the difference between the actual and legal rents from government programs, and in fact, almost 80% of these units do not report any "preferential" rents, implying that in most cases owners do receive the full legal rent for these units. Not reported here are detailed statistics for the 646 units that report both actual and preferential rents (which would indicate that these units do not receive the full legal rent). The Citywide median preferential rent for these 646 units is \$809 and the mean preferential rent is \$862.

TABLE 3: MEDIAN AND MEAN "ACTUAL" RENTS FOR UNITS IDENTIFIED AS RENT STABILIZED (EXCLUDES EXEMPT AND VACANT UNITS)

Borough	# of Stabilized Units	Median		Mean	
		Actual Rent Paid	Legal Rent*	Actual Rent Paid	Legal Rent*
Bronx	260	\$228	\$1,394	\$356	\$1,534
Brooklyn	464	\$238	\$919	\$370	\$988
Manhattan	2,069	\$241	\$940	\$393	\$1,112
Queens	83	\$606	\$1,350	\$630	\$1,254
Staten Island	1	\$689	\$1,179	\$689	\$1,179
Citywide	2,877	\$245	\$1,032	\$393	\$1,134

Source: 2011 DHCR Building and Apartment Registration filings;

*Refers to the legal rents of just those units that reported actual rents.

³¹ See footnote #9.

Finally, to show rents that landlords are actually receiving for rent stabilized hotel units, Table 4 shows median and mean "rent received," which uses a combination of preferential and legal rents to identify the rent actually being collected. For the purposes of this table, "rent received" is defined as the legal rent, unless a preferential rent is registered, in which case the preferential rent is used.

TABLE 4: MEDIAN AND MEAN "RENT RECEIVED" FOR UNITS IDENTIFIED AS RENT STABILIZED (EXCLUDES EXEMPT AND VACANT UNITS)

Borough	# of Stabilized Units	Median "Rent Received"*	Mean "Rent Received"*
Bronx	1,023	\$813	\$881
Brooklyn	3,253	\$983	\$1,141
Manhattan	7,023	\$1,010	\$1,559
Queens	718	\$1,129	\$1,092
Staten Island	102	\$825	\$806
Citywide	12,119	\$990	\$1,356

Source: 2011 DHCR Building and Apartment Registration filings

*"Rent Received" refers to the preferential rent (if one is

provided), or the legal rent (if a preferential rent is not provided)

32 See footnote #9.

VOTE

The vote of the Rent Guidelines Board on the adopted motion pertaining to the provisions of Order Number 42 was as follows:

Table with 4 columns: Item, Yes, No, Abstentions. Row: Guidelines for Hotels, Yes: 7, No: 2, Abstentions: -

Dated: June 22, 2012

Filed with the City Clerk: June 27, 2012

Jonathan L. Kimmel
Chair
NYC Rent Guidelines Board

BIBLIOGRAPHY

- The City of New York Rent Stabilization Law of 1969 Section 26 - 501 et, seq.
Chapter 576 of the Laws of 1974 (The Emergency Tenant Protection Act).
Resolution Number 276 of 1974 of the New York City Council.
Chapter 203 of the Laws of 1977.
Chapter 933 of the Laws of 1977 (Open Meetings Law).
Local Laws of the City of New York for the year 1979, No. 25.
Chapter 234 of the Laws of 1980.
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Chapter 248 of the Laws of 1985.
Chapter 45 of the New York City Charter.
Chapter 65 of the Laws of 1987.
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Chapter 82 of the Laws of 2003.
Chapter 97 of the Laws of 2011.
RGB Staff, 2012 Price Index of Operating Costs.
RGB Staff, 2012 Income and Affordability Study.
RGB Staff, 2012 Mortgage Survey Report.
RGB Staff, 2012 Housing Supply Report.
RGB Staff, Changes to the Rent Stabilized Housing Stock in NYC in 2011.
Written submissions by tenants, tenant organizations, owners, and owner organizations.

SPECIAL MATERIALS

CITY PLANNING

HOUSING, ECONOMIC AND INFRASTRUCTURE PLANNING

NOTICE

THE DEPARTMENT OF CITY PLANNING
THE DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT
THE DEPARTMENT OF HOMELESS SERVICES
NOTICE OF PROPOSED SUBSTANTIAL AMENDMENT TO THE 2012 CONSOLIDATED PLAN

In accordance with 24 CFR 91.505 of the U.S. Department of Housing and Urban Development (HUD) Consolidated Plan regulations regarding amendments, the City of New York announces the public comment period for the substantial amendment to the City's 2012 Consolidated Plan.

The public comment period will begin on August 9, 2012 and extend thirty (30) days to September 7, 2012.

The substantial amendment to New York City's HOME Investment Partnership (HOME) Program is necessitated by the significant decrease in the City HOME entitlement grant award compared with the grant amount originally requested (approximately \$110.537 million). The amount actually received (approximately \$60.338 million) as a result of the Federal Fiscal Year 2012 (FFY12) appropriations process represented a 45% reduction in program funds. The amendment also revises HPD's proposed accomplishments for the existing HOME-funded programs, reflective of this decrease.

In addition, the amendment revises the programmatic activities for the City's Emergency Solutions Grant Program (ESG) (formerly the Emergency Shelter Grant). The change in the program's name reflects the change in the program's federally-mandated focus from addressing the needs of homeless people in emergency or transitional shelters to assisting families and individuals to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The ESG amendment also reflects an increase in funding the City received (\$14.146 million) from the amount the City originally requested (\$7.908 million). The additional monies will fund three (3) new program types to implement the homeless prevention and rapid re-housing related activities.

The amended 2012 Consolidated Plan also incorporates the amended Calendar Year 2012 Community Development Block Grant (CDBG) Program, as adopted by the City Council.

Copies of the amended 2012 Consolidated Plan will be made available on August 9, 2012 and can be obtained at the Department of City Planning Bookstore, 22 Reade Street, New York, New York 10007 (Monday - Friday; 10:00 A.M. to 4:00 P.M.). In addition, the amended Plan can be downloaded through the internet via the Department's website at www.nyc.gov/planning.

Written comments should be sent by close of business September 7, 2012 to: Charles V. Sorrentino, Consolidated Plan Coordinator, 22 Reade Street 4N, New York, N.Y. 10007 email: amended2012ConPlan@planning.nyc.gov

Amanda M. Burden, FAICP, Director, Department of City Planning
Mathew M. Wambua, Commissioner, Department of Housing Preservation and Development
Seth Diamond, Commissioner, Department of Homeless Services

a6-17

HOUSING PRESERVATION & DEVELOPMENT

NOTICE

REQUEST FOR COMMENT REGARDING AN APPLICATION FOR A CERTIFICATION OF NO HARASSMENT

Notice Date: August 10, 2012

To: Occupants, Former Occupants, and Other Interested Parties

Table with 4 columns: Property, Address, Application #, Inquiry Period. Lists various properties and their application details.

Authority: SRO, Administrative Code §27-2093

Before the Department of Buildings can issue a permit for the alteration or demolition of a single room occupancy multiple dwelling, the owner must obtain a "Certification of No Harassment" from the Department of Housing Preservation and Development ("HPD") stating that there has not been harassment of the building's lawful occupants during a specified time period.

The owner of the building identified above has applied for a Certification of No Harassment. If you have any comments or evidence of harassment at this building, please notify HPD at CONH Unit, 100 Gold Street, 3rd Floor, New York, NY 10038 by letter postmarked not later than 30 days from the date of this notice or by an in-person statement made within the same period.

a10-17

CHANGES IN PERSONNEL

BOARD OF ELECTION POLL WORKERS FOR PERIOD ENDING 07/20/12

Table with 6 columns: NAME, NUM, SALARY, ACTION, PROV, EFF DATE. Lists names and details of poll workers.

Table with 10 columns: Name, Title, Salary, Action, Prov, Eff Date. Lists names and details of personnel.

a16

READER'S GUIDE

The City Record (CR) is published each business day and includes notices of proposed New York City procurement actions, contract awards, and other procurement-related information. Solicitation notices for most procurements valued at or above \$100,000 for information technology and for construction and construction related services, above \$50,000 for other services, and above \$25,000 for other goods are published for at least one day. Other types of procurements, such as sole source, require notice in The City Record for five consecutive days. Unless otherwise specified, the agencies and offices listed are open for business Monday through Friday from 9:00 A.M. to 5:00 P.M., except on legal holidays.

NOTICE TO ALL NEW YORK CITY CONTRACTORS

The New York State Constitution ensures that all laborers, workers or mechanics employed by a contractor or subcontractor doing public work are to be paid the same wage rate that prevails in the trade where the public work is being done. Additionally, New York State Labor Law §§ 220 and 230 provide that a contractor or subcontractor doing public work in construction or building service must pay its employees no less than the prevailing wage. Section 6-109 (the Living Wage Law) of the New York City Administrative Code also provides for a "living wage", as well as prevailing wage, to be paid to workers employed by City contractors in certain occupations. The Comptroller of the City of New York is mandated to enforce prevailing wage. Contact the NYC Comptroller's Office at www.comptroller.nyc.gov, and click on Prevailing Wage Schedules to view rates.

CONSTRUCTION/CONSTRUCTION SERVICES OR CONSTRUCTION-RELATED SERVICES

The City of New York is committed to achieving excellence in the design and construction of its capital program, and building on the tradition of innovation in architecture and engineering that has contributed to the City's prestige as a global destination.

VENDOR ENROLLMENT APPLICATION

New York City procures approximately \$17 billion worth of goods, services, construction and construction-related services every year. The NYC Procurement Policy Board Rules require that agencies primarily solicit from established mailing lists called bidder/proposer lists. Registration for these lists is free of charge. To register for these lists, prospective suppliers should fill out and submit the NYC-FMS Vendor Enrollment application, which can be found online at www.nyc.gov/selltonyc. To request a paper copy of the application, or if you are uncertain whether you have already submitted an application, call the Vendor Enrollment Center at (212) 857-1680.

SELLING TO GOVERNMENT TRAINING WORKSHOP

New and experienced vendors are encouraged to register for a free training course on how to do business with New York City. "Selling to Government" workshops are conducted by the Department of Small Business Services at 110 William Street, New York, NY 10038. Sessions are convened on the second Tuesday of each month from 10:00 A.M. to 12:00 P.M. For more information, and to register, call (212) 618-8845 or visit www.nyc.gov/html/sbs/nycbiz and click on Summary of Services, followed by Selling to Government.

PRE-QUALIFIED LISTS

New York City procurement policy permits agencies to develop and solicit from pre-qualified lists of vendors, under prescribed circumstances. When an agency decides to develop a pre-qualified list, criteria for pre-qualification must be clearly explained in the solicitation and notice of the opportunity to pre-qualify for that solicitation must be published in at least five issues of the CR. Information and qualification questionnaires for inclusion on such lists may be obtained directly from the Agency Chief Contracting Officer at each agency (see Vendor Information Manual). A completed qualification questionnaire may be submitted to an Agency Chief Contracting Officer at any time, unless otherwise indicated, and action (approval or denial) shall be taken by the agency within 90 days from the date of submission. Any denial or revocation of pre-qualified status can be appealed to the Office of Administrative Trials and Hearings (OATH). Section 3-10 of the Procurement Policy Board Rules describes the criteria for the general use of pre-qualified lists. For information regarding specific pre-qualified lists, please visit www.nyc.gov/selltonyc.

NON-MAYORAL ENTITIES

The following agencies are not subject to Procurement Policy Board Rules and do not follow all of the above procedures: City University, Department of Education, Metropolitan Transportation Authority, Health & Hospitals Corporation, and the Housing Authority. Suppliers interested in applying for inclusion on bidders lists for Non-Mayoral entities should contact these entities directly at the addresses given in the Vendor Information Manual.

PUBLIC ACCESS CENTER

The Public Access Center is available to suppliers and the public as a central source for supplier-related information through on-line computer access. The Center is located at 253 Broadway, 9th floor, in lower Manhattan, and is open Monday through Friday from 9:30 A.M. to 5:00 P.M., except on legal holidays. For more information, contact the Mayor's Office of Contract Services at (212) 341-0933 or visit www.nyc.gov/mocs.

ATTENTION: NEW YORK CITY MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES

Join the growing number of Minority and Women-Owned Business Enterprises (M/WBEs) that are competing for New York City's business. In order to become certified for the program, your company must substantiate that it: (1) is at least fifty-one percent (51%) owned, operated and controlled by a minority or woman and (2) is either located in New York City or has a significant tie to New York City's business community. To obtain a copy of the certification application and to learn more about this program, contact the Department of Small Business Services at (212) 513-6311 or visit www.nyc.gov/sbs and click on M/WBE Certification and Access.

PROMPT PAYMENT

It is the policy of the City of New York to pay its bills promptly. The Procurement Policy Board Rules generally require that the City pay its bills within 30 days after the receipt of a proper invoice. The City pays interest on all late invoices. However, there are certain types of payments that are not eligible for interest; these are listed in Section 4-06 of the Procurement Policy Board Rules. The Comptroller and OMB determine the interest rate on late payments twice a year: in January and in July.

PROCUREMENT POLICY BOARD RULES

The Rules may also be accessed on the City's website at www.nyc.gov/selltonyc

COMMON ABBREVIATIONS USED IN THE CR

The CR contains many abbreviations. Listed below are simple explanations of some of the most common ones appearing in the CR:

ACCO	Agency Chief Contracting Officer
AMT	Amount of Contract
CSB	Competitive Sealed Bid including multi-step
CSP	Competitive Sealed Proposal including multi-step
CR	The City Record newspaper
DP	Demonstration Project
DUE	Bid/Proposal due date; bid opening date
EM	Emergency Procurement
FCRC	Franchise and Concession Review Committee
IFB	Invitation to Bid
IG	Intergovernmental Purchasing
LBE	Locally Based Business Enterprise
M/WBE	Minority/Women's Business Enterprise
NA	Negotiated Acquisition
OLB	Award to Other Than Lowest Responsive Bidder/Proposer
PIN	Procurement Identification Number
PPB	Procurement Policy Board
PQL	Pre-qualified Vendors List
RFEI	Request for Expressions of Interest
RFI	Request for Information
RFP	Request for Proposals
RFQ	Request for Qualifications
SS	Sole Source Procurement
ST/FED	Subject to State and/or Federal requirements

KEY TO METHODS OF SOURCE SELECTION

The Procurement Policy Board (PPB) of the City of New York has by rule defined the appropriate methods of source selection for City procurement and reasons justifying their use. The CR procurement notices of many agencies include an abbreviated reference to the source selection method utilized. The following is a list of those methods and the abbreviations used:

CSB	Competitive Sealed Bidding including multi-step <i>Special Case Solicitations/Summary of Circumstances:</i>
CSP	Competitive Sealed Proposal including multi-step
CP/1	Specifications not sufficiently definite
CP/2	Judgement required in best interest of City
CP/3	Testing required to evaluate
CB/PQ/4	
CP/PQ/4	CSB or CSP from Pre-qualified Vendor List/ Advance qualification screening needed
DP	Demonstration Project
SS	Sole Source Procurement/only one source
RS	Procurement from a Required Source/ST/FED
NA	Negotiated Acquisition <i>For ongoing construction project only:</i>
NA/8	Compelling programmatic needs
NA/9	New contractor needed for changed/additional work
NA/10	Change in scope, essential to solicit one or limited number of contractors

NA/11	Immediate successor contractor required due to termination/default <i>For Legal services only:</i>
NA/12	Specialized legal devices needed; CSP not advantageous
WA	Solicitation Based on Waiver/Summary of Circumstances (<i>Client Services/CSB or CSP only</i>)
WA1	Prevent loss of sudden outside funding
WA2	Existing contractor unavailable/immediate need
WA3	Unsuccessful efforts to contract/need continues
IG	Intergovernmental Purchasing (award only)
IG/F	Federal
IG/S	State
IG/O	Other
EM	Emergency Procurement (award only): An unforeseen danger to:
EM/A	Life
EM/B	Safety
EM/C	Property
EM/D	A necessary service
AC	Accelerated Procurement/markets with significant short-term price fluctuations
SCE	Service Contract Extension/insufficient time; necessary service; fair price <i>Award to Other Than Lowest Responsible & Responsive Bidder or Proposer/Reason (award only)</i>
OLB/a	anti-apartheid preference
OLB/b	local vendor preference
OLB/c	recycled preference
OLB/d	other: (specify)

HOW TO READ CR PROCUREMENT NOTICES

Procurement notices in the CR are arranged by alphabetically listed Agencies, and within Agency, by Division if any. The notices for each Agency (or Division) are further divided into three subsections: Solicitations, Awards; and Lists & Miscellaneous notices. Each of these subsections separately lists notices pertaining to Goods, Services, or Construction.

Notices of Public Hearings on Contract Awards appear at the end of the Procurement Section.

At the end of each Agency (or Division) listing is a paragraph giving the specific address to contact to secure, examine and/or to submit bid or proposal documents, forms, plans, specifications, and other information, as well as where bids will be publicly opened and read. This address should be used for the purpose specified unless a different one is given in the individual notice. In that event, the directions in the individual notice should be followed.

The following is a SAMPLE notice and an explanation of the notice format used by the CR.

SAMPLE NOTICE:

POLICE

DEPARTMENT OF YOUTH SERVICES

■ SOLICITATIONS

Services (Other Than Human Services)

BUS SERVICES FOR CITY YOUTH PROGRAM – Competitive Sealed Bids
– PIN# 056020000293 – DUE 04-21-03 AT 11:00 A.M.

Use the following address unless otherwise specified in notice, to secure, examine or submit bid/proposal documents, vendor pre-qualification and other forms; specifications/blueprints; other information; and for opening and reading of bids at date and time specified above.

NYPD, Contract Administration Unit, 51 Chambers Street, Room 310, New York, NY 10007. Manuel Cruz (646) 610-5225.

☛ m27-30

ITEM	EXPLANATION
POLICE DEPARTMENT	Name of contracting agency
DEPARTMENT OF YOUTH SERVICES	Name of contracting division
■ SOLICITATIONS	Type of Procurement action
<i>Services (Other Than Human Services)</i>	Category of procurement
BUS SERVICES FOR CITY YOUTH PROGRAM	Short Title
CSB	Method of source selection
PIN # 056020000293	Procurement identification number
DUE 04-21-03 AT 11:00 am	Bid submission due 4-21-03 by 11:00 am; bid opening date/time is the same.
<i>Use the following address unless otherwise specified in notice, to secure, examine or submit bid/proposal documents; etc.</i>	Paragraph at the end of Agency Division listing providing Agency contact information
	NYPD, Contract Administration Unit 51 Chambers Street, Room 310 New York, NY 10007. Manuel Cruz (646) 610-5225.
☛	Indicates New Ad
m27-30	Date that notice appears in The City Record