

City Opens Up SCRIE/DRIE to Preferential Rent Leases

Rent Freeze Tenant Participation Likely to Increase

The enactment of the Housing Stability and Tenant Protection Act (HSTPA) of 2019 in June has changed the way that SCRIE and DRIE benefits are administered by the City for tenants with preferential rents. While it remains unclear as to how many tenants will now become eligible for SCRIE or DRIE benefits, approximately 260,000 rent stabilized tenants currently pay a preferential rent rather than a legal regulated rent.

Prior to the HSTPA, the City would only freeze the legal regulated rent of a tenant who met the qualifications for SCRIE or DRIE even if they were paying a preferential rent. In other words, tenants who were paying preferential rents were not benefitting from those programs.

The HSTPA provides that the rent of tenant with a preferential lease can only be increased at the end of each renewal lease by the Rent Guidelines Board increases on the preferential rent for the life of the tenancy. Prior to the enactment of the HSTPA, owners could increase the preferential rent upon lease renewal to any amount up to the legal regulated rent.

Now, with the passage of the HSTPA, the City will base its determination of eligibility upon the preferential rent, not the legal

regulated rent. For these tenants and, obviously, for those tenants who are otherwise eligible for SCRIE/DRIE, their out-of-pocket payments will be frozen. Owners with SCRIE or DRIE tenants will receive property tax credits that covers the difference between the preferential rent and the amount of the RGB increase that these tenants will not be obligated to pay.

To qualify for these programs, the tenant is required to apply to the City and must:

- For SCRIE - be at least 62 years old, or
- For DRIE - be 18 years or older with a qualifying disability and
- be the head of household as the primary tenant named on the lease or a rent-controlled tenant or have been granted succession rights
- have a combined household income that is \$50,000 or less; and
- spend more than 1/3 of the tenant's monthly household income on rent.

More information is available on the City's website at: www.nyc.gov/rentfreeze. ■

City Council Seeks to Limit Use of Keyless Entry Technologies

Physical Key Locks Would Be Required at all Times

At a time when rental property owners are focused on the effects of the Housing Stability and Tenant Protection Act (HSTPA) of 2019, the City Council has not skipped a beat, continuing to introduce anti-owner legislation on the local level.

Intro. 1758, introduced by Council Member Brad Lander, would require rental property owners to provide physical keys to residents for both the exterior door of their buildings and the doors to their individual apartments. The legislation defines the term key as "a piece of shaped metal with incisions cut to fit the wards of a particular lock, which is inserted into such lock and turned to open or close such lock."

Most importantly, this proposed bill would also prevent owners from requiring that tenants use keyless entry technology to enter either their apartment buildings or their individual units. Keyless entry technology is becoming more common and popular in multiple-dwelling buildings and this legislation would put many

owners who have already installed keyless entry technologies in a considerable bind.

These technologies include, but are not limited to, keypads, mobile phone applications, facial recognition technologies, radio-frequency identification cards, and others. Countless RSA members and other property owners throughout the City already rely on keyless entry technologies in their buildings and have already replaced physical keys in various parts of their buildings with numerous keyless methods over the years as technologies have advanced.

The City Council Committee on Housing and Buildings is expected to hold a hearing on this proposed legislation in the upcoming months and RSA will undoubtedly testify against the bill. We will keep you apprised of further developments. . ■