



CITY OF NEW YORK
MANHATTAN COMMUNITY BOARD FOUR

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LOWELL D. KERN
Chair

JESSE R. BODINE
District Manager

April 7, 2021

Andrea Stewart-Cousins
Majority Leader
New York State Senate
250 Broadway, Room 1930
New York, NY 10007

Carl E. Haste
Speaker
New York State Assembly
1446 East Gun Hill Road
Bronx, NY 10469

RuthAnne Visnauskas
Commissioner
New York State Homes and Community Renewal
641 Lexington Avenue
New York NY, 10022

**Re: 421-a Lease Notice Requirements
Support for Senate Bill S76/Assembly Bill A641
Sponsored by State Senator Brad Hoylman, State Assemblymember Richard
Gottfried & State Assemblymember Linda Rosenthal,**

Dear Senate Majority Leader Stewart-Cousins, Assembly Speaker Haste &
Commissioner Visnauskas;

On February 18, 2021 at the Manhattan Community Board 4's (MCB4) Housing, Health, and Human Services Committee meeting, members were briefed on S76/A641, which would prohibit building owners subject to 421-a lease notice requirements, from willfully including misleading or incorrect information about the pending deregulation of apartments in notices pertaining to Affordable New York Housing units. The penalty for each violation would be a \$1,000 fine.¹

¹ [New York State Senate Bill S76](#)

At its regularly scheduled meeting on March 3, 2021, the Board voted 41 in favor, 0 opposed, 0 abstaining, and 0 present but not eligible to vote to support this proposed legislation.

Background

Under current law, owners receiving 421-a tax benefits are required to provide tenants, when beginning or renewing a lease, with a notice informing the tenant that the apartment shall become subject to rent regulation decontrol upon the expiration of the real estate tax benefits, and providing an approximate date when such expiration will occur.

This requirement, when properly adhered to, helps provide important notice to rent-regulated tenants that they may soon face a rent increase. However, some building owners have included such notices, in instances where units will not become subject to decontrol upon the expiration of 421-a benefits. In many cases, affordable apartments, even with the expiration of 421-a benefits, are subject to continued rent regulation under a different public financing program, law or zoning requirements, such as the Inclusionary Housing Program.

Tenants should not receive misleading information from their building owners about the pending deregulation of their homes, particularly under the guise of an otherwise legally required notice. This proposed legislation would prohibit building owners subject to the 421-a lease notice requirement from willfully including misleading or incorrect information about the pending deregulation of the apartment in the notice.

Conclusion

The notice requirements in the Real Property Law have not been updated in 40 years and have never been amended to recognize that affordable housing built within the 421-a developments, have multiple legal and zoning requirements, and therefore multiple and differing schedules for decontrol. Further, there is no standardized language for the notice, which has resulted in the uneven quality of notices used by developers and created confusion among tenants as to when their apartments will be deregulated. As a follow-up to the passage of this important legislation, MCB4 recommends that NYS Homes and Community Renewal (HCR) develop and promulgate standardized, plain language 421-a expiration lease notices.

Within the MCB4 district, there are at least 5,136 apartment units in buildings for which the developer receives real estate tax benefits under the 421-a Program.² Our community has the greatest number of such affordable units of all 59 community boards. It is critical that tenants residing in 421-a buildings know when their apartments will be decontrolled, and that those residing in affordable housing units understand their protections.

Sincerely,



² [MCB4 Affordable Housing Plan, originally adopted in 2015 and revised annually through 2019, see pages 110-112 for details on 421-a affordable units expiring tax exemptions and regulatory agreements.](#)

Lowell D. Kern
Chair
Manhattan
Community Board 4

Maria Ortiz
Co-Chair
Housing, Health
Human Services Committee

Joe Restuccia,
Co-Chair
Housing, Health
Human Services Committee

cc: the NYS and Assembly Committee's deciding this (i.e. Senate Judiciary Committee and Assembly Housing Committee).

Borough President Gale Brewer
Speaker Corey Johnson
Assemblymember Linda Rosenthal
Assemblymember Richard Gottfried
State Senator Brad Hoylman
State Senator Robert Jackson
Comptroller Scott Stringer
Public Advocate Jumaane Williams