



*Policy Statement 90-2 (February 21, 1990)
Revised 89-1*

***Failure to Maintain Services;
Rent Reduction/Restoration***

This policy statement is being issued to clarify DHCR's policies with respect to maintenance of services, for rent stabilized buildings or accommodations in New York City.

Rent Reduction

Section 26-514 of the Rent Stabilization Law, as amended by Chapter 403, Laws of 1983 (Omnibus Housing Act) provides, in pertinent part, as follows:

In addition to any other remedy afforded by law, any tenant may apply to the State Division of Housing and Community Renewal for a reduction in the rent to the level in effect prior to its most recent adjustment and for an order requiring services to be maintained as provided in this section, and the Commissioner shall so reduce the rent if it is found that the owner has failed to maintain such services...

A substantially similar provision is contained in Section 2523.4 of the Rent Stabilization Code and it applies to all rent stabilized units including stabilized hotels.

A "required service" is one that was furnished on the base date or subsequently, or one required to be furnished by any state law or local law, ordinance or regulation applicable to the premises. These required services may include but are not limited to, repairs, decorating and maintenance, the furnishing of light, and the removal of refuse. In addition to these required services, hotel stabilized tenants are entitled to receive maid service, linen service, furniture and furnishings, and staffed lobby, as part of their required services.

Where a tenant files a complaint alleging the owner's failure to maintain services and where the owner disputes the allegation, an inspection of the premises is conducted to determine whether the owner has failed to maintain services.

If, after an inspection, DHCR finds that required services have not been maintained or are absent, the administrator will issue an order listing the specific services the owner failed to maintain, reducing the rent and directing the owner to restore the services. The rent will be reduced retroactive to the first of the month following the date of service on the owner of the tenant's complaint. In addition, the owner will be ineligible to apply to DHCR for any rent increases or to collect subsequent guideline increases for the affected unit or units until the date specified in a rent restoration order. The order will also include those items listed in the original complaint which were not found to be a failure to maintain services.

This document is being reissued for informational purposes only.

The original document which contains signatures of authorization is on file at DHCR's Office of Rent Administration.



However, if prior to an inspection the owner has restored the services referred to in the tenant's complaint, there is generally no rent reduction ordered. Additionally, the rent will not be reduced upon a tenant complaint, or should be restored upon an owner's application, where there is a finding that a tenant failed to provide reasonable access and such access was necessary to make the repair.

A rent reduction will not be ordered where there is no finding of a failure to maintain services.

Rent Restoration

Sections 2523.3 & 4 of the Rent Stabilization Code essentially provide that where DHCR determines that an owner has failed to maintain services, such owner shall not be entitled to a rent restoration until he or she has made an application and DHCR issues an order restoring the rent.

As rents are reduced when there is a failure to maintain required services, likewise, DHCR will issue orders to restore those rents after required services as specified in the rent reduction order have been restored. The rent restoration proceeding is initiated when an owner files an application affirming that the required services have been restored. If the tenant confirms the owner's statement, then the rent is restored. Otherwise, an inspection is made to determine if the required services have been restored. If the tenant denies access for the DHCR inspection, then the rent will be restored.

If the order enumerated a number of conditions that required correction, such as faulty wiring, a leak, plaster and paint, all enumerated conditions must be corrected before the rent is restored. When the condition has not been corrected in a workmanlike manner, such as breaking a wall to repair a pipe without fully restoring the wall, including plastering and painting, the rent shall not be restored until all such work has been completed. Where DHCR issues an order restoring rent, the retroactive date will be the first of the month following the date of service on the tenant of the owner's application to restore rent.

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for Rent Administration