

# FACT SHEET



Andrew M. Cuomo, Governor

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DIVISION OF HOUSING AND COMMUNITY RENEWAL  
OFFICE OF RENT ADMINISTRATION

## # 42 Hotels, SROs and Rooming Houses

### Jurisdiction

Generally, in New York City, for a hotel, Single Room Occupancy Hotel (SRO) or rooming house to be subject to the Rent Stabilization Code (RSC), it must have been constructed on or before July, 1969, and contain six or more housing accommodations. This universe contains Class A and Class B Multiple Dwellings.

Generally, Class A Multiple Dwellings are used for permanent residence purposes and consist of units that contain kitchens and bathrooms. Generally, Class B Multiple Dwellings, which include SRO Hotels and rooming houses and which became subject to rent regulations on June 4, 1981, contain units occupied by transient residents and are not required to have a kitchen or bathroom in each unit.

The occupant of a hotel, SRO or rooming house may only be protected by rent stabilization if he or she becomes a "permanent tenant". A permanent tenant is an individual or his or her family member residing with such individual, who: (1) has continuously resided in the same building as a principal residence for a period of at least six months; or (2) who requests a lease of six months or more, which the owner must provide within 15 days; or (3) who is in occupancy pursuant to a lease of six months or more even if actual occupancy is less than six months.

### Leases and Rent Increases

Unlike owners of rent stabilized apartment buildings, who are required to offer rent stabilized tenants renewal leases for one or two years at the tenants' option, hotel, SRO or rooming house owners are not required to provide renewal leases to permanent tenants. A permanent tenant has the right to remain in occupancy, whether or not the lease is renewed by the owner. Permanent tenants are subject to annual guidelines increases set by the New York City Rent Guidelines Board, whether or not they have leases. As a permanent tenant, an owner may not charge you more than the most recent rent charged the prior permanent tenant (provided it was in the last 4 years), plus any lawful guidelines increase in effect at the time of your renting, as set for your hotel room/apartment by the NYC Rent Guidelines Board. Such rent is required to be registered with the DHCR. You may obtain a rental history of the unit by contacting the Rent Infoline at (718)739-6400 or by filing a Request for Access to Public Records (FOIL-1) with DHCR.

These increases take place on the "anniversary date". For tenants with a lease, it is at least one year from the commencement date of the lease. For tenants without a lease, it is the latest of these three choices: 1) one year from the date the tenant's occupancy began, 2) one year from the date of the last rent increase charged to the tenant or 3) as of October 1st of the guideline period in effect.

To access a list of current and prior rent guidelines, go to the website of the NYC Rent Guidelines Board at [www.housingnyc.com](http://www.housingnyc.com).

Owners may apply for other rent increases, such as Individual Apartment Improvements, building wide major capital improvements (MCIs) and hardship increases.

## **Services**

The customary hotel services required to be provided include, but are not limited to, maid service and the provision and laundering of linen at least once a week, use and upkeep of furniture, and a lobby staffed 24 hours a day, seven days a week by at least one employee.

It should be noted that this full range of hotel services may not necessarily be required to be provided in Class B Multiple Dwellings such as rooming houses and some SRO hotels. The services required to be provided in SRO hotels and rooming houses would be those services provided when such buildings first became subject to the Rent Stabilization Law in June, 1981.

Services required to be provided to a permanent tenant may include appliance repair, painting once every three years, heat, hot water, janitorial service, maintenance of locks and security devices, repairs and maintenance and any ancillary services provided by the owner, such as laundry room facilities or switchboard service, etc.

Upon a finding by the DHCR on written complaint by a permanent tenant that services are not being maintained, a rent reduction may be imposed, and future rent increases barred until the rent is restored pursuant to an order of the DHCR.

## **Evictions**

Generally, so long as a hotel occupant or permanent tenant pays the legal rent, they can remain in the housing accommodation. An owner may not harass an occupant or permanent tenant by engaging in an intentional course of conduct intended to make such occupant or permanent tenant vacate the housing accommodation.

Under the Real Property Actions and Proceedings Law, a hotel occupant residing at the hotel for thirty days or more even though he has not requested a lease and is not a permanent tenant, may only be evicted pursuant to an action or proceeding instituted in the Civil Court. If such an action is brought, the "occupant" will receive notice of the action and of the right to answer and appear in court. Lockouts of such hotel occupants, or of permanent tenants, are strictly illegal.

### **Example - Rent Increases**

- On February 20, 2009, a permanent/rent stabilized tenant paying \$200 a week vacates a hotel unit.
- On March 1, 2009, Mr. Ortiz moves in and does not request a lease. He is a transient tenant and is charged a rent of \$250 a week.
- On September 1, 2009, Mr. Ortiz becomes a permanent/rent stabilized tenant as he has been in occupancy for 6 months. His rent needs to be adjusted. The previous legal rent of \$200 can be increased by the guideline in effect (Hotel Order #38 - 4.5% increase), which is a \$9 increase and the legal rent is now \$209.
- On September 1, 2010, the anniversary date, Mr. Ortiz is still in occupancy, and the legal rent may be increased by the guideline in effect (Hotel Order #39 - 0% increase), which is \$0 and the legal rent remains \$209.
- Annual apartment registration filings for this apartment are as follows:
  - On April 1, 2009, the unit's status was Temporarily Exempt/Transient Occupancy in Hotel/SRO.
  - On April 1, 2010, the unit's status was Rent Stabilized.

### **Example - Decrease in Service Rent Adjustments**

- On February 1, 2008, Ms. Chan moves into an SRO Unit, requests a lease, acquires permanent/rent stabilized status, and her rent is legally set at \$300 a week.
- On February 1, 2009, the anniversary date, Ms. Chan's rent of \$300 can be raised by the guideline in effect (Hotel Order #39 - 0% increase), which is a \$0 increase and legal rent remains \$300.
- On August 10, 2009, Ms. Chan, pursuant to filing a written application, receives a DHCR Order finding a decrease in services. It has a June 1, 2009 effective date.
- On September 1, 2010, the \$300 rent paid by Ms. Chan cannot be reduced by the most recent guideline adjustment rent increase, since it was 0%. However, the \$300 rent cannot be raised and is "frozen" until DHCR issues a rent restoration order finding services were restored.

This fact sheet is only a summary of relevant sections of the Rent Stabilization Code. For comprehensive and detailed information on this topic, please refer to the Rent Stabilization Code.

*For more information or assistance, call the DHCR Rent InfoLine,  
or visit your Borough Office or call or visit your County Rent Office.*

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