



## CHIP<sup>®</sup> Holds Successful Seminar on Signing and Renewing Leases with Rent Stabilized Tenants

On December 12, 2007, CHIP<sup>®</sup> and the New York County Lawyers Association (NYCLA) co-sponsored a seminar on signing and renewing leases with rent stabilized tenants. The seminar covered steps owners should take before signing leases with rent-stabilized tenants (including credit and housing court checks), documents/riders to include when signing a vacancy or renewal lease with a rent-stabilized tenant, how to properly send renewal offers to tenants, and how to handle various problems that come up when tenants return (or don't return) the renewal lease to you. CHIP<sup>®</sup> Board member Paul Brensilber moderated the seminar. A copy of the written materials from the seminar is posted on the CHIP<sup>®</sup> Web site, [www.chipnyc.org](http://www.chipnyc.org).



*The Seminar was well attended*

Our first speaker was Peter Schwartz of the Manhattan law firm of Graubard Miller. He emphasized the importance of doing a thorough background check and credit check before renting to a rent-stabilized tenant because you're obligated to continue renewing the lease of that tenant. Rental applications should ask for employment information (be wary of diplomats), social security number, rental history, judgments and bankruptcies, references and whether the tenant has pets (if the building has a no-pet policy). Schwartz also spoke about the need in some cases for a guaranty and the provisions to include in a guaranty, as well as rules regarding security deposits. A sample guaranty agreement prepared by Schwartz appears in the seminar materials on our Web site.



*Peter Schwartz, of Graubard Miller*

Blaine Schwadel of Rosenberg & Estis, P.C. spoke next about documents to include when signing and renewing vacancy or renewal leases. Schwadel first discussed the required notices, which include the Rent Stabilization lease rider, the New York City lead-based paint notice, the federal lead disclosure notice and the New York City window-guard rider. He then discussed the optional notices, which include the preferential rent rider, the pending deregulation application rider and the tax benefits rider (J-51 and 421-a).

Martin Heistein of Belkin Burden Wenig & Goldman, LLP was the next speaker. He reviewed the requirements for sending renewal leases to rent-stabilized tenants. He advised owners to send the renewal lease offer form to tenants between 90 to 150 days before their leases expired. The tenant is the person named on the original lease or someone whose name you added to the renewal lease. Tenants can't make changes or additions to the renewal lease. You are, however, required to add the name of a tenant's spouse to the renewal lease if the tenant requests it and the spouse lives in the apartment as a primary resident. You can ask the tenant to submit a copy of the marriage certificate as proof. Once the tenant returns the signed copy of the renewal lease to you, you have 30 days to provide the tenant with a fully executed renewal lease form bearing the signatures of both the owner and tenant.



*Speakers Martin Heistein, Karen Schwartz-Sidrane, Peter Schwartz & Blaine Schwadel*

Our final speaker was Karen Schwartz-Sidrane of the Hewlett law firm of Sidrane & Schwartz-Sidrane, LLP. She spoke about various renewal issue problems, including what to do if the tenant doesn't return the signed copy of the renewal lease to you on time. She told owners when to take advantage of the DHCR's deemed lease policy, which allows owners to deem a lease on the same terms and conditions of the expiring lease and collect the allowable rent increase. She also spoke about the DHCR's mediation unit which handles renewal lease issues. She also explained that if you make a mistake on the renewal lease offer and the tenant signs it, you're usually stuck with the mistake and can't correct it. And, she discussed when you can collect a vacancy increase under various co-tenant situations (for example, you can collect a vacancy rent increase if you agree to put the name of someone other than the tenant's spouse on the renewal lease). ■

## CHIP® Testifies at Harassment Hearing

On December 17, 2007, CHIP® testified at City Hall at the hearing on the City's harassment bill (Intro. 627). Here are some excerpts from the testimony.

"CHIP® opposes the passage of # 627 for several reasons. First, there already exist effective mechanisms for tenants who believe they may be experiencing harassment to address the situation. One significant alternative is by filing a harassment complaint with the State's Division of Housing and Community Renewal. For the great majority of renters in this City, there is already this avenue, and this legislation is redundant. The Council should limit any legislation to those not already covered under existing statutes.

Second, the dimensions of the problem, we believe, are not well understood. The State's Division of Housing and Community Renewal already has a harassment program, and has had one for all 23 years it has administered the rent laws. Its experience should be examined. Using DHCR's data, approximately 1700 harassment complaints were filed in the last five years. Before looking at the outcome of these complaints, look at the number itself. About 1.1 million tenants fall under DHCR's jurisdiction. In a five year period, only 1700 complaints were made. On an annual basis, this means that only about three tenths of one percent of tenants even complained about harassment.

Now let's look at the outcomes of those filings. DHCR reports that of these 1700, over 95% were either found to have no merit, or were conciliated by DHCR with the owner's cooperation, resulting in a resolution of the situation. Emphasis is important. The vast majority of tenants do not experience harassment, and among those who do complain of it, only a very tiny portion of cases is found to be actual harassment". ■



### SAVE THE DATE



**BREAKFAST SEMINAR: WHAT YOU NEED TO KNOW IF YOU PLAN TO REFINANCE YOUR PROPERTY USING LOW INCOME HOUSING TAX CREDITS** — Affordable housing and tax credit consultant Elizabeth Bramlet will give an overview on the use of low income tax credits and explain how to refinance certain projects using tax credits.

**When:** March 4, 2008, 8:30 AM to 9:00 AM (Registration); 9:00 AM to 11:00 AM (Seminar)

**Where:** Association of the Bar of the City of New York, 42 West 44<sup>th</sup> St., New York, NY

**Cost:** Free to CHIP® Members; \$25 Non Members

**How to RSVP:** Call the CHIP® office at (212) 838-7442; email [RSVP@chipnyc.org](mailto:RSVP@chipnyc.org) or register at the CHIP® Web site, [www.chipnyc.org](http://www.chipnyc.org).

**PRESIDENT'S CLUB LUNCHEON** — Our Keynote speaker will be Melinda Katz, member of the New York City Council 29<sup>th</sup> District, Queens and Chair of the Council's Standing Committee on Land Use. Invitations to the event have been mailed out. Please send back your response card by March 17, 2008.

**When:** Monday, March 31, 2008. 11:30 AM to 2:30 PM

**Where:** The Water Club, 30<sup>th</sup> Street and East River

**BREAKFAST SEMINAR: ENERGY EFFICIENCY INCENTIVE PROGRAMS FOR BUILDING OWNERS: SAVE MONEY AND SAVE THE ENVIRONMENT** — Learn how to make your building more energy efficient and about the money saving incentives for doing so.

**When:** April 8, 2008, 8:30 AM to 9:00 AM (Registration); 9:00 AM to 11:30 (Seminar)

**Where:** CUNY Graduate Center, 365 Fifth Avenue (at 34<sup>th</sup> St.), Concourse Level, New York, NY

**Cost:** Free to CHIP® Members; \$25 Non Members

**How to RSVP:** Call the CHIP® office at (212) 838-7442; email [RSVP@chipnyc.org](mailto:RSVP@chipnyc.org) or register online at the CHIP® Web site, [www.chipnyc.org](http://www.chipnyc.org).