

421-a & Rent Stabilization Tenant Fact Sheet

This Fact Sheet is intended to lay out basic information about 421-a, a New York State property tax exemption, and rent stabilization. The answers below seek to explain how to learn about the status of your building and apartment, and provide contact information for additional guidance.

The information provided here is not a substitute for the definitions, interpretations, etc., contained in the applicable laws and rules, or any administrative or court decision construing such statutes, codes and regulations. Additionally, you may wish to consult your personal legal representative for specific questions about your rights under rent stabilization and the 421-a tax benefits program.

How Does 421-a Affect Me?

If your rental building is receiving a 421-a property tax benefit, your building and/or apartment may be subject to rent stabilization and the rights and protections that come with it.

What is 421-a?

“421-a” refers to a section of the New York State Real Property Tax Law that exempts certain new multiple dwellings from local property taxation. These laws are, or have been, adopted by the New York State and City Legislatures and are designed to incentivize developers to build multiple dwellings, in exchange for partial tax benefits over a certain period of time. In particular, because of the tax benefit, rental apartments are often subject to rent stabilization, usually also only for a certain time period.

This section of the law is enacted for a few years at a time and then expires, unless renewed. Each time this law has expired, the legislators generally have renewed it, often adding changes and updates. Therefore, the program has evolved over the years. Determining which version of the 421-a laws might apply to your building will depend on certain factors, including when construction of your building started.

Please see below for more detailed information about how the different versions of 421-a of may affect you as a tenant.

What is rent stabilization?

Rent stabilization refers to a set of laws that apply to some rental apartments and that are generally designed to protect tenants. These laws govern many different aspects of the apartments they cover, including whether a tenant has the right to renew the lease at the end of the lease term and whether there are succession rights for certain family members. In addition, for NYC, the Rent Guidelines Board determines how much the rent can increase every year or two. [The New York State Division of Homes and Community Renewal](#) (DHCR) is the agency in charge of rent stabilization. You can find more information on their website.

There are many ways that an apartment may be subject to the rent stabilization laws. A building receiving 421-a benefits is one way that an apartment can be covered. However, your apartment may be subject to rent stabilization even if your building does not receive 421-a benefits, or your apartment may be subject to rent stabilization for more than one reason. Therefore, you may wish to consult your personal legal representative to answer questions about your specific situation. See below for additional information resources.

What does it mean if my apartment is subject to rent stabilization because of 421-a?

The Rent Stabilization Laws provide tenants in rent stabilized apartments with various rights. For example, the owner of your building must provide you with a rent stabilized lease both when you first move in and also each time you renew your lease for your choice of either a one or two year term, for as long as your apartment remains stabilized. When you renew your lease, your rent can only be increased as the Rent Stabilization Laws and applicable tax benefit laws permit. In addition, if your apartment is stabilized because your building receives 421-a benefits, your lease must contain a rider that explains this and also indicates the approximate date when the 421-a benefits will expire. See below for the first page of a rent stabilized lease that should accompany a vacancy lease and a rent stabilized renewal lease.



State of New York
Division of Housing and Community Renewal
Office of Rent Administration
Cortt Plaza
92-31 Union Hall Street
Jamaica, New York 11433
Web Site: www.dhcr.ny.gov
Revision Date: September 2019
New York City LEASE Rider For Rent Stabilized Tenants

FAILURE BY AN OWNER TO ATTACH A COPY OF THIS RIDER TO THE TENANT'S LEASE WITHOUT CAUSE MAY RESULT IN A FINE OR OTHER SANCTIONS

NOTICE

This Rider, with this Notice, must be attached to all vacancy and renewal leases for rent stabilized apartments. This Rider was prepared pursuant to Section 26-511(d) of the New York City Rent Stabilization Law.

This Rider must be in a print size larger than the print size of the lease to which the Rider is attached. The following language must appear in bold print upon the face of each lease: "ATTACHED RIDER SETS FORTH RIGHTS AND OBLIGATIONS OF TENANTS AND LANDLORDS UNDER THE RENT STABILIZATION LAW."

This Rider has been updated to reflect the changes made by the Housing Stability and Tenant Protection Act of 2019.

Section 1 (If this is a renewal lease, do not complete Section 1, go to Section 2)

If Box A is checked, the owner MUST show how the rental amount provided for in such vacancy lease has been computed above the previous legal regulated rent by completing the following chart. In addition, the owner MUST complete the Notice To Tenant Disclosure of Housing Infection History, as required by the NYC Housing Maintenance Code Section 27-2018.1, which is required to be served on the tenant with this Lease Rider.

ANY INCREASE ABOVE THE PREVIOUS LEGAL REGULATED RENT MUST BE IN ACCORDANCE WITH ADJUSTMENTS PERMITTED BY THE RENT LAWS AND RENT STABILIZATION CODE.

VACANCY LEASE RENT CALCULATION

Status of Apartment and Last Tenant (Owner to Check and Complete Appropriate Box - (A), (B), (C), or (D). Choose only one.)

(A) This apartment was rent stabilized when the last tenant moved out.

Address: Apt 2

1. Previous Legal Regulated Rent \$

2. Guideline increase based on (1 year) or (2 year) lease. Circle one: () % \$ (Note: a guideline increase, if authorized by the Rent Guidelines Board, can only be taken once per guideline year)

3. Individual Apartment Improvements (IAI)

In order to collect rent increase for the IAI, you MUST complete the itemized list below and enter the increase in Line J-G (below)

Tenant Request for Documentation

Check this box if you want to request at this time, from the owner, copies of documentation (e.g., bills, invoices, cancelled checks, etc.) that clarify and support the individual apartment improvement(s) cost detailed in this rider. If you do not request it now, you have the lawful right to request it within 60 days of the execution of the lease, by certified mail and the owner must then provide the documentation within 30 days either by certified mail or by personal delivery with a signed acknowledgement receipt by tenant. (Refer to Rules Section 3, Provision 4 - Other Rent Increases, Individual Apartment Improvements.)

RENEWAL LEASE FORM

Owners and Tenants should read INSTRUCTIONS TO OWNER and INSTRUCTIONS TO TENANT on reverse side before filling out or executing this form.

THIS IS A RIDER FOR RENEWAL OF LEASE, AND RENEWAL LEASE FORM ISSUED UNDER SECTION 2653.5(a) OF THE RENT STABILIZATION CODE. ALL COPIES OF THIS FORM MUST BE SIGNED BELOW AND RETURNED TO YOUR LANDLORD WITHIN 60 DAYS.

Tenant: _____ To: _____
Tenant's Name(s) and Address: _____ Owner's Name and Address: _____

1. The owner hereby notifies you that your lease will expire on: _____

PART A - OFFER TO TENANT TO RENEW

2. You may renew this lease, for one or two years, at your option, as follows:

Column A Annual Term	Column B Legal Rent on Sept 30, Preceding Commencement Date of this Renewal Lease	Column C Guideline % or Minimum % Increase (If known, check box and see below)	Column D Applicable Obsolete Supplement, if any	Column E Lawful Rent Increase (If any, calculate after Sept. 30)	Column F New Legal Rent (If no renewal is to be charged, check box and see item 3 below)
1 Year	\$	() % \$	\$	\$	\$
2 Years	Same as above	() % \$	\$	\$	\$

** If applicable guideline was a maximum or more, offer to make, please box or Column C and enter current guideline which will be subject to adjustment when rates are ordered.

** Rent Guidelines Board Order #103 applies to leases commencing between 10/1/21 and 9/30/22. The one-1 year lease guideline increase cannot be applied until the first six (6) months of the lease. There is no guideline increase in the first six (6) months.

3. Security Deposit: *** Collected after the sixth (6) month of a one-year lease renewal.

Current Deposit \$ Additional Deposit Required - 1 year lease \$ ***
Additional Deposit Required - 2 year lease \$

4. Specialty separate charges, if applicable:
a. Air conditioning \$ 421a (2.2%) \$ Total specialty charges \$
b. Appliances \$ Other \$

5. Lower Rent to be charged, if any: 1 year lease \$ 2 year lease \$ Association attached: Yes No

6. Tenant shall pay a monthly rent (enter amount from 2f or 3f) of \$ for a 1 year renewal or \$ for a 2 year renewal, plus total separate charges (enter amount from 4f) for a total monthly payment of \$ for a 1 year renewal or \$ for a 2 year renewal.

7. This renewal lease shall commence on _____, which shall not be less than 90 days nor more than 120 days from the date of mailing or personal delivery of this Renewal Lease Form. This Renewal Lease shall terminate on _____ (1 year lease) or _____ (2 year lease).

8. This renewal lease is based on the same terms and conditions as your existing lease. (See instructions above additional provisions.)

9. SCRIE and DCBE: Owner and Tenant acknowledge that, as of the date of this renewal, Tenant is entitled to pay a reduced monthly rent in the amount of \$ under the New York City SCRIE program or the New York City DCBE program. The reduced rent may be adjusted by notices of such program.

10. Leased premises does does not have an operative sprinkler system. If operative, it was last maintained and inspected on _____.

This form becomes a binding lease renewal when signed by the owner below and returned to the tenant. A rider setting forth the rights and obligations of tenants and owners under the Rent Stabilization Law must be attached to this lease when signed by the owner and returned to the tenant. The rent, separate charges and total payment provided for in this renewal lease may be increased or decreased by order or annual updates of the Division of Housing and Community Renewal (DHCR) or the Rent Guidelines Board (RGB).

PART B - TENANT'S RESPONSE TO OWNER

Tenant: Check and complete where indicated one of three responses below after reading instructions on reverse side. This date and sign your responses below. You must return this Renewal Lease Form to the owner in person, or by regular mail, within 60 days of the date that notice was served upon you by the owner. You failure to do so may be grounds for the non-renewal of an offer by the owner to extend your current apartment.

I, _____ (check the undersigned Tenant(s)), accept the offer of a one (1) year renewal lease at a monthly rent of \$ _____, plus separate charges of \$ _____, for a total monthly payment of \$ _____ **not an increase at the first six (6) months.

I, _____ (check the undersigned Tenant(s)), accept the offer of a two (2) year renewal lease at a monthly rent of \$ _____, plus separate charges of \$ _____, for a total monthly payment of \$ _____.

I, _____ (check the undersigned Tenant(s)), reject the offer of a one (1) year renewal lease at a monthly rent of \$ _____, plus separate charges of \$ _____, for a total monthly payment of \$ _____.

Tenant's Signature(s): _____

Date: _____

Date: _____ Owner's Signature(s): _____

Date: _____

How can I find out if my building is receiving 421-a benefits right now?

You can look up your building to see if it is currently receiving 421-a benefits by going to the NYC Department of Finance's Property Benefit Lookup page, found at [NYC Finance](#).

If your building is receiving 421-a tax benefits, the owner of your building is required to let you know in a lease rider to your rent stabilized lease (as well as in each renewal lease) approximately when these benefits and your unit's rent stabilized status are scheduled to expire.

What should I do if I have questions about my rent stabilization?

If you have questions about the amount of rent the owner of your building is charging you or concerns that your rights under the Rent Stabilization Laws are being violated, you can file a complaint with the [New York State Homes and Community Renewal's Office of Rent Administration](#).

What happens when my building's 421-a tax benefits expire?

The 421-a tax benefit program has existed for many years and has taken many different forms. What happens when your building's 421-a benefits expire depends on a few factors, including when your building was built and what type of unit you live in, as further explained below.

Rental buildings receiving a 421-a property tax benefit may have two types of units: those with income restrictions and those without. These may also be known as 421-a "affordable" units or 421-a "market" units.

The outline below describes the general rules that may vary from building to building for these two types of units:

1. 421-a income-restricted (affordable) rental units
 - a. In buildings that started construction before July 1, 2008, 421-a income-restricted units that were built without governmental assistance cannot be deregulated until the first vacancy after the expiration of the 421-a benefit period. In buildings with governmental assistance (in other words, they are subject to a regulatory agreement prohibiting deregulation after the benefit period), 421-a income-restricted units also remain rent stabilized until the expiration of the regulatory agreement period.
 - b. In buildings that started construction on or after July 1, 2008, and on or before December 31, 2015, 421-a income-restricted units must remain both affordable and rent stabilized for at least 35 years from the building's completion of construction, and tenants holding a lease and living in a 421-a income-restricted units at the

expiration of the 35-year period have the right to remain as rent stabilized tenants for as long as they live there.

- c. 421-a(16) income-restricted rental units must remain affordable and rent stabilized for 35 years from the building's completion (**not** from when the construction started), or for buildings with 300 or more apartments in the Brooklyn, Manhattan or Queens Enhanced Affordability Areas, as defined in 421-a(16)(a)(xix),(xliii) and (xivi), for 40 years from the building's completion. Tenants holding a lease and living in such 421-a income-restricted units have the right to remain as rent stabilized tenants after the benefit period ends for as long as they live there.
2. 421-a rental units without income restrictions (market-rate units)
 - a. In buildings that started construction prior to July 1, 2008, rental units without 421-a income restrictions can be deregulated upon the first lease renewal after the expiration of the 421-a benefit period if the previous lease and renewal leases for the tenant living in the unit at the time of deregulation has included a notice in at least 12 point type stating that the unit shall be deregulated when the tax benefit period expires. The notice must also specify the approximate date that deregulation is scheduled to happen.
 - b. In buildings which started construction on or after July 1, 2008 and on or before December 31, 2015, rental units without 421-a income restrictions can be deregulated upon the first lease renewal after the expiration of the 421-a benefit period, provided that the lease and renewal leases for such unit for the tenant living in such unit at the time of such deregulation, has included a notice in at least twelve point type informing such tenant that the unit shall become subject to such deregulation upon the expiration of such tax benefit period and the approximate date on which such tax benefit period is scheduled to expire.
 - c. 421-a(16) rental units without income restrictions (regardless of when the buildings started construction) must be rent stabilized only if their rents fall below the vacancy decontrol threshold. They may be deregulated if, upon a vacancy during the 421-a(16) benefit period, their rents exceed this vacancy decontrol threshold.

How do I know whether I live in an apartment with or without 421-a income restrictions? And how do I find out when construction started?

If you live in a 421-a income restricted unit, you should have been required to provide information about your household's income prior to being offered your apartment. Your apartment should also be identified as a 421-a income-restricted apartment in HCR's annual rent registrations and can be looked up [here](#). Your building's 421-a benefits certificate of eligibility, which is a document filed with the [New York City Department of Finance](#), should list its construction start (or "commencement") date.

Can my landlord charge a 2.2% surcharge during the phase-out of the 421-a benefits my building is receiving?

A building receiving 421-a benefits may be allowed to add an annual 2.2% surcharge to the rent for **some** units during each year of the phase-out period of the building's 421-a benefits (i.e., when the tax exemption is reduced from a 100% exemption to an 80% exemption, followed by a 60% exemption, etc.). The 2.2% surcharge is **not** collectible from the following categories of units in such buildings:

(a) 421-a affordable units that were built without governmental assistance pursuant to Section 6-08 of HPD Rules,

(b) 421-a affordable units that were built with governmental assistance pursuant to Section 6-08 of HPD Rules and that are subject to a regulatory agreement prohibiting the collection of such surcharges, and

(c) GEA SGA units and GEA 60% AMI units pursuant to Section 6-09 of HPD Rules (these are two different types of 421-a income-restricted units in buildings that commenced construction on or after July 1, 2008 and on or before December 31, 2015, as defined in 28 RCNY 6-09).

(d) All rental units in buildings that receive 421-a(16) benefits.

What should I do if DOF says that my building receives 421-a benefits but my lease is not stabilized?

If you checked the DOF website and your rental building is receiving 421-a benefits, but you do not have a rent stabilized lease, please contact HPD's [Compliance & Enforcement unit](#) via email for assistance. If you have any other general questions about 421-a and HPD, please contact 421-a Customer Service at 421_customerservice@hpd.nyc.gov.

If you have additional questions about your tenancy or are worried about facing eviction, you may contact the [Mayor's Office to Protect Tenants \(MOPT\)](#) for additional information.

Finally, if you think that the owner of your building is not following the rent stabilization laws (for example, if you think they are illegally deregulating apartments or if you think they made a mistake in your leases or lease riders), you can file a complaint with the [New York State Homes and Community Renewal's Office of Rent Administration](#).