



# Homes and Community Renewal

ANDREW M. CUOMO  
Governor

RUTHANNE VISNAUSKAS  
Commissioner/CEO

March 30, 2017

[REDACTED]

Re: Notice of Audit Determination

[REDACTED] Apt. [REDACTED]

TPU Docket #: [REDACTED]

Dear Owner:

As you are aware, on June 1, 2016 the Tenant Protection Unit ("TPU") of the New York State Homes and Community Renewal (HCR) notified you that TPU was performing an audit of claimed individual apartment improvements ("IAIs") for the above listed apartment ("subject apartment"). TPU required that you verify the amount claimed for IAIs by submitting supporting documentation.

We have received and reviewed your submission for the claimed IAIs. Our internal audit has revealed that the claimed IAIs do not support the 2015 legal rent registered with HCR due to the reason(s) noted on the attached IAI Investigation Worksheet. The rent for this apartment must be adjusted immediately to avoid further legal action, cost or penalties.

To immediately remedy the aforementioned issues, the following must be done:

- 1) reset the rent to \$2,246.44 per month, plus any applicable increases, calculated on the rent established by the TPU audit for the subject apartment as of the date the current tenant took occupancy and amend all the leases executed with the current tenant with new rent amount(s);
- 2) manually file hard copies of amended annual building and apartment registrations, with a copy of this letter attached, with DHCR Rent Registration Unit at Gertz Plaza (address below) and send a copy to the current tenant with the corrected rental amount;
- 3) refund or credit the current tenant any rent collected in excess of \$2,246.44 per month plus any applicable increases calculated on the rent established by the TPU audit from the date said tenant first took occupancy;
- 4) provide amended lease(s) with the new rent(s) to the current tenant; and
- 5) complete the attached affidavit.

TPU Docket #: [REDACTED]

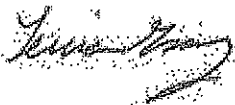
Any rent in excess of \$2,246.44 per month, plus any applicable increases calculated on the rent established by the TPU audit that was collected from the date the current tenant took occupancy, should be refunded or credited to said tenant within 20 days of this notice and a cancelled check or other document showing proof of such must be submitted to the TPU. The original signed affidavit, a copy of the amended lease signed by the tenant or proof of mailing of the amended lease to the current tenant, and copies of the amended registrations and proof of mailing of the amended registrations, must be sent to the TPU within 30 days of this notice.

Please note that the above mentioned remedial actions are to resolve only the rent discrepancy found by the TPU audit of the IAIs applied to the subject apartment. Should you decide not to rectify the legal rent within 30 days of this notice, TPU explicitly reserves the right to commence a legal action, which can result in a finding of refunds and treble damages, penalties and other relief. Rent Stabilization Code §2527.2 notes that "...DHCR may institute a proceeding on its own initiative whenever the DHCR deems it necessary or appropriate pursuant to the Rent Stabilization Law or this Code."

Further, as you are aware, a tenant may initiate an overcharge complaint before DHCR or a Court of competent jurisdiction to determine the tenant's rent overcharge claim. *See Vasquez v. Sichel*, 12 Misc. 3d 604 (N.Y. City Civ. Ct. 2005); *Rockaway One Co., LLC v. Wiggins*, 35 A.D.3d 36 (2nd Dept. 2006). "Any owner who is found ...to have collected any rent or other consideration in excess of the legal regulated rent shall be ordered to pay to the tenant a penalty equal to three times the amount of such excess." Therefore, TPU strongly recommends that you take all immediate steps to rectify your error as soon as possible.

We look forward to resolving this matter amicably and in the best interest of all parties. If you have any questions or concerns, please do not hesitate to contact TPU at (718)262-4992 or [tpuinfo@nyshcr.org](mailto:tpuinfo@nyshcr.org). Please note that extensions of time to comply with this letter will not be provided.

Sincerely yours,



Lewis Gray  
Director of Investigations  
Tenant Protection Unit

Encl: IAI Investigation Worksheet and Affidavit

**IAI Investigation Worksheet**

Date **30-Mar-17**  
 Initial **FQ**

Docket #: [REDACTED]  
 Premises: [REDACTED]  
 Apartment: [REDACTED] Building ID: [REDACTED]  
 Total # of Apts: [REDACTED]

Addressed to: [REDACTED] Owner: [REDACTED]  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]

#	Date	Invoice #	Company/Items, Details	Claimed Amt.	Approved Amt.
1	10/10/2014	1055	[REDACTED]	\$49,429.25	\$42,900.00
2	11/17/2014	1067	[REDACTED]	\$598.81	\$598.81
3	8/7/2014	2014-0403	[REDACTED]	\$1,252.06	\$1,150.00
4	9/2/2014	2014-0418	[REDACTED]	\$4,815.00	\$4,815.00
<b>Total:</b>				<b>\$56,095.12</b>	<b>\$49,463.81</b>
<b>1/40th Rent Increase:</b>				<b>\$1,402.38</b>	<b>\$1,236.60</b>

**Notes:**

- 1 \$6,307.38 disallowed. \$2,500 for DOB permits and \$3,807.38 for tax.
- 3 \$102.06 disallowed for tax.

Prior Tenant's Rent	\$769.41
Vacancy Allowance: 16.25%	\$125.02
Longevity Increase: (25 Years x 0.6% = 15%)	\$115.41
IAI	\$1,236.60
<b>Total:</b>	<b>\$2,246.44</b>

Registered Rent for the year: 2015	\$2,800.00
Established Rent	\$2,246.44
Difference between registered rent and established rent:	<b>\$553.56</b>

**Notes:**

	<u>From Date</u>	<u>To Date</u>		<u>Years</u>	<u>Percentage</u>
1)	3/1/1989	9/1/2014	Longevity Increase in years/%:	25	15
2)			Term of Lease: ( 1 or 2 Year):	1	

State of New York

County of \_\_\_\_\_ SS:

TPU Docket #: IJ004/0616-10

I, \_\_\_\_\_, being duly sworn, deposes and says:

1. I am the landlord, an officer or authorized agent of the corporation that owns the subject apartment located at \_\_\_\_\_.

2. The Tenant Protection Unit ("TPU") of the New York State Homes and Community Renewal ("HCR") informed me that they performed an audit of claimed individual apartment improvements ("IAIs") for the subject apartment.

3. In order to remedy the issues raised by the aforementioned IAI audit for the subject apartment without admitting or denying TPU's findings, I agree to and have done the following:

- a. reset the rent for the subject apartment to \$ \_\_\_\_\_ per month as of the \_\_\_ day of \_\_\_\_\_, 20\_\_;
- b. filed amended building and apartment registrations with the HCR to reflect that the rent for the subject apartment is \$ \_\_\_\_\_ per month as of the \_\_\_ day of \_\_\_\_\_, 20\_\_;
- c. provided the current tenant with an amended lease with the new rent of \$ \_\_\_\_\_ per month, commencing on \_\_\_\_\_ date; and
- d. refunded or credited the current tenant \$ \_\_\_\_\_, which represent rents collected in excess of the rent established by the TPU audit, plus any applicable increases for the time period from \_\_\_\_\_ to \_\_\_\_\_.

4. I provided the tenant with the aforementioned amended lease on \_\_\_\_\_ date, by:

- a. \_\_\_\_\_ personal delivery, or
  - b. \_\_\_\_\_ sending the lease via first class and certified mail.
- (Initial the method of delivery completed)

5. I have also enclosed copies of the amended annual building summaries and apartment registrations for [year] through current, that have been filed as referenced in paragraphs 3(b) of this affidavit, as well as proof of that I mailed the registrations to DHCR Rent Registration Unit at Gertz Plaza.

6. I have enclosed a copy of the amended current lease and proof of mailing of the current lease, if applicable, as referenced in paragraph 3(c) of this affidavit.

7. I have further enclosed documents providing proof of payment or credit provided to the tenant as referenced in paragraph 3(d) of this affidavit.

\_\_\_\_\_  
Signature of Affiant

Print Name

Title

Sworn to before me

on this \_\_\_\_\_ day of \_\_\_\_\_, 2016

\_\_\_\_\_  
Signature Notary Public