

EXPLANATORY STATEMENT - HOTEL ORDER #36

Explanatory Statement and Findings of the Rent Guidelines Board In Relation to 2006-07 Lease Increase Allowances for Hotels Under the Jurisdiction of the Rent Stabilization Law

Explanatory Statement and Findings of the Rent Guidelines Board Concerning Increase Allowances for Hotel Units Under the Jurisdiction of the Rent Stabilization Law, Pursuant to Hotel Order Number 36, Effective October 1, 2006 through and including September 30, 2007.¹

Pursuant to the authority vested in it by the Rent Stabilization Law of 1969 and the Emergency Tenant Protection Act of 1974, implemented by Resolution Number 276 of 1974 of the New York City Council, and extended Chapter 82 of the Laws of 2003, it is the responsibility of the Rent Guidelines Board to establish guidelines for hotel increases. Hotel Order Number 36, adopted on June 27, 2006, applies to stabilized hotel units occupied by non-transient tenants.

Hotel Order Number 36 provides for an allowable increase of **2.0%** over the lawful rent actually charged and paid on September 30, 2006 for rooming houses, lodging houses, Class B hotels, single room occupancy buildings, and Class A residential hotels. The Order does not limit rental levels for commercial space, non-rent stabilized residential units, or transient units in hotel stabilized buildings during the guideline period. The Order also provides that for any dwelling unit in a hotel stabilized building which is voluntarily vacated by the tenant thereof, the level of rent increase governing a new tenancy shall be the same as the guideline for rent increases set forth above.

Rooming house, lodging house, Class B hotel, single room occupancy building, and Class A residential hotel owners shall not be entitled to any of the above rent adjustments, and shall receive a **0 percent adjustment** if permanent rent stabilized or rent controlled tenants paying no more than the legal regulated rent, at the time that any rent increase in this Order would otherwise be authorized, constitute fewer than **80%** of all units in a building that are used or occupied, or intended, arranged or designed to be used or occupied in whole or in part as the home, residence or sleeping place of one or more human beings.

The following was read and entered into the public record of the June 27 meeting to outline the Rent Guidelines Board's intent of the above proviso:

The Board's intention for the meaning of this proviso is that ALL dwelling units in the hotel, whether occupied, vacant, rented to tourists, transients, contract clients, students or other non-permanent tenants, or to permanent rent stabilized tenants, be counted in the denominator of the calculation. The only type of units in the hotel that may be excluded from the denominator are units that are used as stores or for similar business purposes such as doctor's offices. The numerator of the calculation is the number of units occupied by permanent rent stabilized or rent controlled tenants.

Here are two examples. One: a hotel has 100 units and 2 stores. 32 units are rented to permanent rent stabilized tenants, 10 are vacant and 58 are rented to transients and tourists.

¹ This Explanatory Statement explains the actions taken by the Board on individual points and reflects the general views of those voting in the majority. It is not meant to summarize all viewpoints expressed.

The calculation is as follows, the denominator is 100 and the numerator is 32. This calculation results in an occupancy percentage of LESS than 80% under the formula (32%) and an increase CANNOT be taken for the permanent stabilized tenants.

Two: a hotel has 150 units, 2 of which are used by a dentist and a doctor for their businesses, 8 are rented to tourists, 10 are vacant and 130 are occupied by permanent rent stabilized tenants. The denominator would be 148 and the numerator would be 130. This calculation results in an occupancy percentage of GREATER than 80% under the formula (88%) and an increase CAN be taken for the permanent stabilized tenants.

DEFINITIONS

For the purpose of determining the appropriate classification of a hotel stabilized unit, the Board has set its definitions as follows:

- ∞ Residential hotels are “apartment hotels” which are designated as Class A multiple dwellings on the Certificate of Occupancy.
- ∞ Rooming houses are Class B multiple dwellings having fewer than thirty sleeping rooms as defined in Section 4(13) of the multiple dwelling law.
- ∞ A single room occupancy building is a Class A multiple dwelling which is either used in whole or in part for single room occupancy or as a furnished room house, pursuant to Section 248 of the multiple dwelling law.
- ∞ A Class B hotel is a hotel, which carries a Class B Certificate of Occupancy and contains units subject to rent stabilization.
- ∞ Lodging houses are those buildings designated as lodging houses on the Certificate of Occupancy.

BACKGROUND

Public meetings of the Board were held on March 28, April 7 and 26, May 2 and June 1, 2006 following public notices. On May 8, the Board adopted proposed rent guidelines for hotels, apartments, and lofts.

Two public hearings were held on June 19 and June 22, 2006 to hear comments on the proposed rent adjustments for rent stabilized hotels and apartments. The hearings were held from 4:00 p.m. to 9:15 p.m. on June 19 and from 10 a.m. to 7:30 p.m. on June 22. The Board heard testimony from 24 hotel tenants and tenant representatives, one hotel owner, and 5 public officials. In addition, the Board’s office received approximately 12 written statements from owners and owner groups, tenants and tenant groups, and public officials. On June 27, 2006, the guidelines set forth in Hotel Order Number 36 were adopted.

Selected Oral and Written Testimony from Owners and Owner Groups:

- “I ask you to please give the SROs and other building groups a 10% increase across the Board so that they may have the incentive to stay in business.”
- “If we put aside the expectation that a business exists to ultimately make a profit, we cannot continue to expect these owners to go on year after year losing money, facing costs that are mandatory in order to meet City regulations without any incentive or relief. In my dealings with this Board as well as past boards, I have always believed that at some point we would be able to come to an amicable solution to this problem. And yet, they were voted NO INCREASE at all. Even a 2% increase would be some recognition, while still not bringing them to parity with other owners. To deny them this is truly a sad commentary.”
- “We have lost so many owners, we need to make every effort to keep those we still have. An increase for the landlords is a winning situation for the tenants, who will still be able to continue to live in their buildings and neighborhoods. Otherwise, we face complete change in New York City, one that would surely displace the current tenants.”
- “My real estate taxes, fuel, electric, insurance, and repair costs have skyrocketed. I cannot get a mortgage on the property, an additional mortgage, because my rents are so low and my costs are so high.”
- “I need the Rent Guidelines Board’s help so I am not forced out of the City that I’ve lived in, and born in, and lose my property....I’m a small property owner. It’s just not fair. I and other small property owners of these SRO buildings that are under 20 units need reasonable rents and not fall through the cracks. 0% increases are unreasonable.”

Selected Oral and Written Testimony from Tenants and Tenant Groups:

- “The City’s well documented housing crisis affects all New Yorkers, but perhaps no one group can be said to be in more imminent danger of becoming homeless than SRO tenants. Such housing is not often maintained by choice, but rather by necessity, as the majority of this tenant population struggles to survive on fixed income that often isn’t enough to afford both the basic necessities and the rent in this housing of last resort.”
- “In all but the rarest of cases, SRO owners do not derive their income from their permanent tenants. They either take advantage of the myriad of additional uses they can put their property towards, or they simply “warehouse” vacant units and empty out entire buildings for good in order to find more lucrative uses for them.”
- “On behalf of all SRO tenants in the City living on the brink, we ask that the Rent Guidelines Board not issue any rent increase for permanent tenants of hotels, rooming houses and lodging houses for 2006. SRO owners are not dependent on the dwindling tenant population to cover their overhead and make a healthy profit, and the impact of even the smallest increase on these individuals will serve only to worsen the City’s homeless crisis.”
- “I do not feel that a rent increase is warranted. I have been paying for many services that were guaranteed to me that I have not been receiving. For example, maid & linen service,

cooking, furnishings, exterminators, fuses, lights, window shades, etc....Please keep the Proviso. The greed of the landlords will make it impossible for many New Yorkers of low-income to remain in their homes.”

– “I am writing to say that a zero increase is what landlords deserve in the city! No rent increase! My apartment has not been painted in 18 years, my kitchen sink is stained down to the cast iron underlining and every time I take a shower, I stand in 8-10 inches of water, due to the lack of proper cleaned drains in my building.”

Selected Oral and Written Testimony from Public Officials:

– “Another egregious example is the illegal practice of renting units in SROs and apartment buildings to tourists. This robs the city of an already diminishing source of affordable housing, and creates unsafe situations for existing tenants, but it also is an illegal stream of revenue for landlords who ought to be renting those apartments to rent-stabilized tenants. The DHCR has tacitly condoned these practices by turning a blind eye and refusing to address these problems.”

– “Single Room Occupancy (SRO) buildings and residential hotels continue to constitute an important part of the rent-stabilized housing stock. SRO owners derive a bulk of their income from their transient guests, not from permanent tenants. While a rent increase would have a minimal effect on the total income of these landlords, such an increase would have a very large impact on the incomes of tenants living in SROs. The Rent Guidelines Board should NOT issue any rent increase for permanent tenants of hotels, rooming houses, and lodging houses.”

– “Tenants have invested their lives in our City and have improved our neighborhoods. The Board should be proactive in preserving New York City’s affordable housing so that poor and middle-class working people can continue to live here. Towards that end, I strongly urge you to impose an immediate freeze on rents for all apartments, lofts, hotels, rooming houses, single room occupancy (SRO) buildings and lodging houses.”

MATERIAL CONSIDERED BY THE BOARD

In addition to oral and written testimony presented at its public hearing, the Board’s decision is based upon material gathered from the 2006 Price Index of Operating Costs for Hotel Stabilized Units in New York City, prepared by the staff of the Rent Guidelines Board, reports and testimony submitted by owner and tenant groups relating to the hotel sector, and reports submitted by public agencies. The Board heard testimony from invited guest speakers on May 2, 2006. Guest speakers representing hotel tenants included Terry Poe, Tenant Organizing Supervisor, from the Goddard-Riverside Community Center’s West Side SRO Law Project and Christopher Schwartz, Staff Attorney, from the East Side SRO Law Project of MFY Legal Services. There were no guest speakers representing hotel landlords at this meeting but Helen Maurizio, Executive Director of the Associated Hotels and Motels of Greater New York, submitted written testimony.

FINDINGS OF THE RENT GUIDELINES BOARD

RENT GUIDELINES BOARD RESEARCH

The Rent Guidelines Board based its determination on its consideration of the oral and written testimony noted above, as well as upon its consideration of statistical information prepared by the RGB staff set forth in these findings and the following reports:

- (1) *2006 Mortgage Survey Report*, March 2006, (An evaluation of recent underwriting practices, financial availability and terms, and lending criteria);
- (2) *2006 Tenant Income and Affordability Study*, April 2006, (Includes employment trends, housing court actions, changes in eligibility requirements and public benefit levels in New York City);
- (3) *2006 Price Index of Operating Costs for Rent Stabilized Hotels in New York City*, April 2006, (Measures the price change for a market basket of goods and services which are used in the operation and maintenance of stabilized hotels);
- (4) *2006 Housing Supply Report*, June 2006, (Includes information on the conversion of Hotels to luxury apartments and transient use, new housing construction measured by certificates of occupancy in new buildings and units authorized by new building permits, tax abatement and exemption programs, and cooperative and condominium conversion and construction activities in New York City); and,
- (5) *Changes to the Rent Stabilized Housing Stock in NYC in 2005*, June 2006, (A report quantifying all the events that lead to additions to and subtractions from the rent stabilized housing stock).

The five reports listed above may be found in their entirety on the RGB's website, www.housingnyc.com, and are also available at the RGB offices, 51 Chambers St., Suite 202, New York, NY upon request.

Price Index of Operating Costs for Rent Stabilized Hotel Units

The Price Index for all stabilized Hotels increased 7.5% this year, 1.8 percentage points higher than the 5.7% increase found the year before. The Price Index for Hotels was just 0.3 percentage points lower overall than the increase in costs measured in the Apartment Price Index. The primary difference between the increase in the Hotel Index and the Apartment Index was in the Utilities component. The increase in Utilities for all types of Hotels was 3.8% overall versus 7.9% in apartment buildings. This disparity in utilities cost placed downward pressure on the Hotel Index, resulting in an index that was slightly lower than that for apartments.

Prices in all other components in the Hotel Index had similar changes in rates to the same components in the Apartment Index. Taxes increased in Hotels by 8.4%, 0.6 percentage points higher than for apartments. Labor Costs increased more rapidly in Hotels (3.6%) than the 2.5% rise in apartments. Conversely, the rates for Contractor Services did not rise as quickly in Hotels (4.3%) as they did in apartments (5.9%) this year. Because the Contractor Services component is less important in the Hotel Index (accounting for about 8% of the weight) than in the Apartment

Index (about 13% of the weight), the lower increase in maintenance rates did not offset the overall Hotel Index significantly. Insurance costs increased at the same rate in both indices and Fuel costs were slightly higher in the Apartment Index. See the table on the next page for changes in costs and prices for all rent stabilized hotels from 2005-06.

Among the different categories of Hotels, the index for “traditional” hotels increased 7.9%, the index for Rooming Houses increased 7.2%, and SROs increased by 8.3%. The differences between these indices are primarily due to the increased weight placed on the Tax component for “traditional” hotels and the disparity among the three hotel types in the weights for the Fuel and Utilities components.

Percent Change in the Components of the Price Index of Operating Costs April 2005 to April 2006, By Hotel Type and All Hotels

Spec #	Item Description	Hotel	RH	SRO	All Hotels
101	TAXES, FEES, & PERMITS	1.0949	1.0852	1.0779	1.0839
205-206, 208-216	LABOR COSTS	1.0368	1.0391	1.0337	1.0358
301-303	FUEL	1.2186	1.1886	1.2664	1.2233
401-407, 409-410	UTILITIES	1.0318	1.0181	1.0685	1.0376
501-509, 511-516, 518	CONTRACTOR SERVICES	1.0378	1.0413	1.0603	1.0432
601-608	ADMINISTRATIVE COSTS	1.0651	1.0559	1.0595	1.0627
701	INSURANCE COSTS	1.0254	1.0254	1.0254	1.0254
801-816	PARTS AND SUPPLIES	1.0456	1.0504	1.0483	1.0469
901-904, 907-911	REPLACEMENT COSTS	1.0130	1.0220	1.0228	1.0162
	ALL ITEMS	1.0785	1.0715	1.0832	1.0753

Source: 2006 Price Index of Operating Costs

CHANGES IN HOUSING AFFORDABILITY

For the second year in a row, New York City’s economy continued to rise from recession, with declining unemployment rates, rising wages and employment levels, and Gross City Product growing steadily from the last quarter of 2003 through the third quarter of 2005 (fourth quarter data for 2005 was not yet released as of publication). Unemployment rates decreased for the second year in a row, falling 1.2 percentage points to 5.8%, the lowest citywide level since 2000. Total employment levels in the City increased 1.4%, and the City’s Gross City Product increased by 3.6% during the first three quarters of 2005, with positive growth expected during the fourth quarter. Real wages also increased by 3.7% between 2003 and 2004 (the most recent year for which there are statistics). And after rising last year, public assistance cases fell by almost 5% between fiscal years 2004 and 2005.

CONSUMER PRICE INDEX

The Board reviewed the Consumer Price Index. Table that follows shows the percentage change for the NY-Northeastern NJ Metropolitan area since 1999.

Percentage Changes in the Consumer Price Index for the New York City - Northeastern New Jersey Metropolitan Area, 1999-2006 (For "All Urban Consumers")								
	1999	2000	2001	2002	2003	2004	2005	2006
1st Quarter Avg. ²	1.5%	3.0%	2.8%	2.3%	3.2%	2.8%	4.1%	3.4%
Yearly Avg.	2.0%	3.1%	2.5%	2.6%	3.1%	3.5%	3.9%	--

Source: U.S. Bureau of Labor Statistics.

EFFECTIVE RATES OF INTEREST

The Board took into account current mortgage interest rates and the availability of financing and refinancing. It reviewed the staff's *2006 Mortgage Survey* of lending institutions. The table below gives the reported rate and points for the past nine years as reported by the mortgage survey.

2006 Mortgage Survey³ Average Interest Rates and Points for New and Refinanced Permanent Mortgage Loans 1998-2006									
New Financing of Permanent Mortgage Loans, Interest Rate and Points									
	1998	1999	2000	2001	2002	2003	2004	2005	2006
Avg. Rates	8.5%	7.8%	8.7%	8.4%	7.4%	6.2%	5.8%	5.5%	6.3%
Avg. Points	1.02	1.01	0.99	0.99	0.79	0.81	0.67	0.56	0.44
Refinancing of Permanent Mortgage Loans, Interest Rate and Points									
	1998	1999	2000	2001	2002	2003	2004	2005	2006
Avg. Rates	8.5%	7.2%	8.6%	8.0%	7.4%	6.2%	5.7%	5.5%	6.3%
Avg. Points	0.99	0.92	1.01	1.06	0.83	0.78	0.60	0.56	0.44

Source: 1998–2006 Annual Mortgage Surveys, RGB.

HOTEL CONVERSION

The trend of converting hotels to luxury apartments continued unabated over the past year. Among the conversions in the pipeline is the 700-room Barbizon Hotel, which will now house 66 condos, ranging in price from \$1 million for a one-bedroom to \$15 million for the penthouse. Estimates are that 15 hotels have partially or completely removed rooms from the tourist market, with a loss of 3,579 rooms since 1999. Fourteen other hotels are currently being entirely or partly converted, including the Plaza and the Stanhope.

Conversion of single room occupancy (SRO) buildings also continued in high numbers over the past year. SRO owners may convert SRO housing to other uses after obtaining a "Certificate of No Harassment" from HPD. The last several years have seen significantly more Certificates issued than in previous years in Manhattan, where the vast majority of SRO's are located. In 1995 and 1996, an average of 67 applications were filed each year. However, from 1997 through 2001, an average of 114 applications for Certificates were filed, and in 2005 214 applications were filed, down slightly from 258 in 2004, but still evidence that SRO owners are increasingly converting their buildings for non-SRO uses.

² 1st Quarter Average refers to the change of the CPI average of the first three months of one year to the average of the first three months of the following year.

³ Institutions were asked to provide information on their "typical" loan to rent stabilized buildings. Data for each variable in any particular year and from year to year may be based upon responses from a different number of institutions.

On June 8, 2006 the staff of the Rent Guidelines Board released a memo to Board members analyzing building violation data from the Department of Housing Preservation and Development. The following is the text from that memo:

As per the Board's request, the following is an analysis of building violation data from the NYC Dept. of Housing Preservation and Development (HPD). The file provided from HPD includes the total number of Class "A," "B," and "C" violations that were open as of December 2005.

Class "A" violations are considered the least severe, and include violations such as defective gutters, proper notice of smoke detector requirements, proper notice of superintendent contact information, and filing of building registration with HPD. Class "B" violations are more serious than Class "A" and include such violations as broken smoke detectors, unlawful cooking spaces, improper collection of garbage, and illegal occupancy of a basement. Class "C" violations are the most severe, and are the focus of the research presented in this memo. These violations are considered to present an immediately hazardous condition. Class "C" violations include defective fire escapes, inadequate heat or hot water, rodent problems, and lead-based paint hazards.

A file of more than 800,000 records obtained from HPD was matched to DHCR 2004 building registration data, a file of 42,285 records. A total of 36,830 records from the DHCR file corresponded accurately to HPD data, a match on more than 87% of DHCR records. More than 20,000 of these buildings had either an "A," "B," or "C" violation open as of December 2005 (more than 56% of buildings), while over 40% of buildings had no violations presently open as of that date. Proportionally, the Bronx has had the most violations presently open, with 77.4% of buildings having at least one open "A," "B," and/or "C" violation, compared to lows in Queens and Staten Island of 42.3% and 43.9% respectively, while Brooklyn and Manhattan were each above 50%. The Bronx also had the highest number of violations issued of the boroughs, a median of 20 "A," "B," and/or "C" violations, double that of the citywide median of 10. In addition, 60.6% of Bronx buildings have open "C" violations (the most severe violations), with a median of 6 violations per building, double that of the citywide median of 3. A summary of the "A," "B," and "C" violations open as of December 2005 follows in **Table A**.

Note that the analysis only includes buildings that have received at least one violation in the relevant category (i.e. in some cases more than half of buildings in the borough have been excluded from the mean and median). It is also important to note that the open violations data analyzed in this memo should be considered a ceiling of violations that are currently open. An unknown percentage of these violations have been corrected but not reported as closed to HPD by owners.

Table A*Bldgs. With Violations Presently Open, by Violation Type & Borough (Buildings With 1 or More Violations)*

Borough		Bldgs. in Sample	Class A Violations (% of Bldgs. In Sample)	Class B Violations (% of Bldgs. In Sample)	Class C Violations (% of Bldgs. In Sample)	A, B, and/or C Violations (% of Bldgs. In Sample)
Bronx	# of Bldgs.	5,025	2,852 (56.8%)	3,587 (71.4%)	3,046 (60.6%)	3,890 (77.4%)
	Mean Violations		15.36	30.70	12.97	49.72
	Median Violations		7	13	6	20
Brooklyn	# of Bldgs.	12,619	4,700 (37.2%)	6,452 (51.1%)	4,657 (36.9%)	7,081 (56.1%)
	Mean Violations		8.16	19.61	7.17	28.07
	Median Violations		4	8	3	11
Manhattan	# of Bldgs.	12,788	4,352 (34.0%)	6,217 (48.6%)	4,275 (33.4%)	6,999 (54.7%)
	Mean Violations		8.82	15.45	6.88	23.42
	Median Violations		4	5	3	7
Queens	# of Bldgs.	6,250	1,582 (25.3%)	2,370 (37.9%)	1,483 (23.7%)	2,646 (42.3%)
	Mean Violations		5.75	13.95	4.67	18.66
	Median Violations		3	6	3	8
Staten Is.	# of Bldgs.	148	48 (32.4%)	57 (38.5%)	32 (21.6%)	65 (43.9%)
	Mean Violations		5.35	11.25	3.50	14.49
	Median Violations		3	6	3	7
Citywide	# of Bldgs.	36,830	13,534 (36.7%)	18,683 (50.7%)	13,493 (36.6%)	20,681 (56.2%)
	Mean Violations		9.60	19.56	8.10	29.24
	Median Violations		4	7	3	10

In response to a direct inquiry from the tenant members on the Board, the data was also analyzed by the number of violations per unit. **Table B** presents the number of buildings per borough that have at least three “B” or “C” violations per unit open as of December 2005, as well as the number of buildings with three or more “C” violations per unit.

Table B*Bldgs. With 3 or More B or C Violations per Unit Presently Open, by Violation Type & Borough*

Borough	Buildings in Sample	3 or More B or C Violations per Unit (% of Bldgs. In Sample)	3 or More C Violations per Unit (% of Bldgs. In Sample)
Bronx	5,025	433 (8.6%)	46 (0.9%)
Brooklyn	12,619	998 (7.9%)	152 (1.2%)
Manhattan	12,788	452 (3.5%)	36 (0.3%)
Queens	6,250	171 (2.7%)	10 (0.2%)
Staten Island	148	5 (3.4%)	0 (0.0%)
Citywide	36,830	2,059 (5.6%)	244 (0.7%)

Because the total number of violations in a borough does not take into account the size of the buildings, the data from HPD was also analyzed by the reported number of units in the building (as reported by HPD). Again, the data is analyzed using only those buildings with at least one violation open as of December 2005, and is broken out into eight separate categories of unit size. A summary, by borough, for presently open Class “C” violations follows in **Table C**.

Table C*Mean/Median Class C Violations Presently Open (Buildings With 1 or More Violations)*

Borough	No. of Apts. In Bldg.	Frequency	Mean Violations	Median Violations
Bronx	1-5 Apts.	1	2.00	2
	6-10 Apts.	281	7.79	4
	11-20 Apts.	413	9.24	5
	21-40 Apts.	920	13.40	6
	41-75 Apts.	1,154	14.18	7
	76-100 Apts.	170	15.58	7
	101-150 Apts.	76	18.36	5
	151-1000 Apts.	30	25.07	10
	Total	3,045	12.97	6
Brooklyn	1-5 Apts.	53	2.98	1
	6-10 Apts.	1,997	6.30	3
	11-20 Apts.	799	7.48	4
	21-40 Apts.	758	7.79	4
	41-75 Apts.	725	8.05	4
	76-100 Apts.	193	8.10	4
	101-150 Apts.	95	10.60	5
	151-1000 Apts.	33	7.15	4
	Total	4,653	7.15	3
Manhattan	1-5 Apts.	57	2.83	2
	6-10 Apts.	795	4.47	2
	11-20 Apts.	1,214	5.36	2
	21-40 Apts.	1,204	8.14	4
	41-75 Apts.	687	10.58	5
	76-100 Apts.	126	9.80	4
	101-150 Apts.	93	5.31	2
	151-1000 Apts.	93	3.47	2
	Total	4,269	6.87	3
Queens	1-5 Apts.	28	2.07	1
	6-10 Apts.	419	3.59	2
	11-20 Apts.	201	5.13	3
	21-40 Apts.	241	4.82	3
	41-75 Apts.	302	5.83	3
	76-100 Apts.	133	5.59	2
	101-150 Apts.	105	5.21	2
	151-1000 Apts.	53	4.15	3
	Total	1,482	4.74	2
Staten Island	1-5 Apts.	4	1.75	1.5
	6-10 Apts.	3	4.00	5
	11-20 Apts.	5	3.60	2
	21-40 Apts.	6	4.67	4
	41-75 Apts.	5	4.60	5
	76-100 Apts.	1	3.00	3
	101-150 Apts.	7	2.71	3
	151-1000 Apts.	1	7.00	7
	Total	32	3.66	3
Citywide	1-5 Apts.	143	2.70	1
	6-10 Apts.	3,495	5.68	3
	11-20 Apts.	2,632	6.59	3
	21-40 Apts.	3,129	9.34	4
	41-75 Apts.	2,873	10.88	5
	76-100 Apts.	623	9.94	4
	101-150 Apts.	376	9.21	3
	151-1000 Apts.	210	7.32	3
	Total	13,481	8.10	3

Violations can also be analyzed by the reported age of the buildings. As expected, in many cases the older the building, the more likely it has a higher number of “C” violations. Citywide, buildings constructed between 1915 and 1929 have a median of five “C” violations while buildings constructed between 1975 and 2005 have a median of two. A summary of “C” violations open as of December 2005, by age and borough, is presented in **Table D**.

Table D

Mean/Median Class C Violations Presently Open (Buildings With 1 or More Violations)

Borough	Year Bldg. Built	Frequency	Mean Violations	Median Violations
Bronx	1800-1899	1	1	1
	1900-1914	499	11.89	6
	1915-1929	1,657	14.76	7
	1930-1944	314	12.56	7
	1945-1959	88	7.68	3
	1960-1974	88	5.65	4
	1975-1989	2	2.00	2
	1990-2005	15	2.33	2
	Total	2,664	13.34	6
Brooklyn	1800-1899	20	5.15	3
	1900-1914	709	7.76	4
	1915-1929	1,318	7.87	4
	1930-1944	353	6.71	3
	1945-1959	97	6.10	4
	1960-1974	125	4.67	3
	1975-1989	1	17.00	17
	1990-2005	5	4.20	1
	Total	2,628	7.44	3
Manhattan	1800-1899	10	5.00	2
	1900-1914	1,496	6.59	3
	1915-1929	1,092	9.32	4
	1930-1944	111	3.23	2
	1945-1959	48	2.77	2
	1960-1974	55	2.71	1
	1975-1989	6	1.33	1
	1990-2005	10	3.40	1.5
	Total	2,828	7.35	3
Queens	1800-1899	1	7.00	7
	1900-1914	33	5.36	2
	1915-1929	496	5.17	3
	1930-1944	179	4.78	2
	1945-1959	178	4.06	2
	1960-1974	151	4.55	2
	1975-1989	11	2.64	2
	1990-2005	10	1.70	1
	Total	1,059	4.78	2
Staten Island	1800-1899	0	---	---
	1900-1914	2	8.50	8.5
	1915-1929	5	3.40	3
	1930-1944	7	2.43	1
	1945-1959	2	3.00	3
	1960-1974	8	3.75	3
	1975-1989	2	1.50	1.5
	1990-2005	1	4.00	4
	Total	27	3.48	3
Citywide	1800-1899	32	5.03	2
	1900-1914	2,739	7.85	3
	1915-1929	4,568	10.42	5
	1930-1944	964	7.83	3
	1945-1959	413	5.16	3
	1960-1974	427	4.56	3
	1975-1989	22	2.77	2
	1990-2005	41	2.71	2
	Total	9,206	8.80	4

Class “C” building violations were also grouped by the total number of violations in the buildings. Grouping in this manner shows that citywide 63.4% of buildings had no open Class “C” violations as of December of 2005, while 23.1% of buildings had been cited with 1-5 violations. Less than 1% of buildings (253 of 36,830 buildings) had more than 50 violations opened as of last December. The lowest percentage of zero violation buildings was in the Bronx, where 39.4% of buildings had no open “C” violations during December. A summary of “C” violations grouped by total number of violations is presented in **Table E**.

Table E
Buildings With "C" Violations Presently Open, by Borough

Borough	No. of Violations	Frequency	Percent of Total	Borough	No. of Violations	Frequency	Percent of Total
Bronx	0 Violations	1,979	39.4%	Queens	0 Violations	4,767	76.3%
	1-5 Violations	1,412	28.1%		1-5 Violations	1,120	17.9%
	6-10 Violations	560	11.1%		6-10 Violations	215	3.4%
	11-20 Violations	515	10.2%		11-20 Violations	99	1.6%
	21-50 Violations	420	8.4%		21-50 Violations	45	0.7%
	51-100 Violations	113	2.2%		51-100 Violations	4	0.1%
	101-150 Violations	19	0.4%		101-150 Violations	0	0%
	151-200 Violations	7	0.1%		151-200 Violations	0	0%
	201-231 Violations	0	0%		201-231 Violations	0	0%
	Total	5,025	100%		Total	6,250	100%
Brooklyn	0 Violations	7,962	63.1%	Staten Island	0 Violations	116	78.4%
	1-5 Violations	2,998	23.8%		1-5 Violations	25	16.9%
	6-10 Violations	771	6.1%		6-10 Violations	6	4.1%
	11-20 Violations	515	4.1%		11-20 Violations	1	0.7%
	21-50 Violations	317	2.5%		21-50 Violations	0	0%
	51-100 Violations	54	0.4%		51-100 Violations	0	0%
	101-150 Violations	2	0%		101-150 Violations	0	0%
	151-200 Violations	0	0%		151-200 Violations	0	0%
	201-231 Violations	0	0%		201-231 Violations	0	0%
	Total	12,619	100%		Total	148	100%
Manhattan	0 Violations	8,513	66.6%	Citywide	0 Violations	23,337	63.4%
	1-5 Violations	2,955	23.1%		1-5 Violations	8,510	23.1%
	6-10 Violations	564	4.4%		6-10 Violations	2,116	5.7%
	11-20 Violations	425	3.3%		11-20 Violations	1,555	4.2%
	21-50 Violations	277	2.2%		21-50 Violations	1,059	2.9%
	51-100 Violations	45	0.4%		51-100 Violations	216	0.6%
	101-150 Violations	6	0%		101-150 Violations	27	0.1%
	151-200 Violations	2	0%		151-200 Violations	9	0%
	201-231 Violations	1	0%		201-231 Violations	1	0%
	Total	12,788	100%		Total	36,830	100%

VOTE

The vote of the Rent Guidelines Board on the adopted motion pertaining to the provisions of Order Number 36 was as follows:

	<u>Yes</u>	<u>No</u>	<u>Abstentions</u>
Guidelines for Hotels	5	4	-

Dated: June 28, 2006

Filed with the City Clerk: June 30, 2006

Marvin Markus, Chair
Rent Guidelines Board

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