



Prevailing Wage Mandates Defeated!

NYS Legislature passes omnibus housing bill, extending 421-a and rent regulation

On June 24th, the New York State Legislature passed an omnibus housing bill, which included a 4 year extension of the 421-a tax exemption program, without the prevailing wage requirement first proposed in January of this year. NYSFAH thanks everyone who worked successfully to educate New York's elected officials on the affect of prevailing wage mandates, and the importance of supporting affordable housing programs that maximize housing production and the job creation and economic development that results.

The bill also extended rent regulation for four years; these provisions include:

- An increase in the vacancy deregulation threshold from \$2000 per month to \$2500 per month for units that become vacant on or after the effective date of the Act.
- The vacancy increase is limited to once per calendar year.
- The legal rent can be charged to the next tenant, even if the amount previously charged is less than the threshold amount.
- The high rent / high income thresholds for deregulation are increased to \$2500 and \$200,000 (in each of the prior two years); the \$2000 / \$175,000 thresholds remain in effect for all proceedings commenced prior to July 1, 2011.
- The individual apartment improvements rent increase (IAI) for rent stabilized apartments was amended for buildings with 36 or more apartments: the IAI becomes 1/60th of the cost incurred by the owner where the rent adjustment takes effect on or after September 24, 2011. For buildings with 35 or fewer apartments, the IAI remains 1/40th of the cost incurred by the owner;

June 25, 2011