



ORDER GRANTING MCI RENT INCREASE

Mailing Address of Owner:

Fraydun Realty Co.
 C/O Salomon & Appelmann, Ltd.
 114-04 Beach Channel Drive, Suite 7A
 Rockaway Park, NY 11694

Subject Premises:

Apt. No: Various
 200 E 71st St
 New York NY 10021

PER: (X) Section 2522.4(a)(2) of the Rent Stabilization Code
 () Section 2202.4(c) of the Rent and Eviction Regulations

I. FACTS: On 06/18/2012 the owner applied for an increase in the legal regulated rent as a result of completing a Major Capital Improvement. The tenants were afforded an opportunity to comment:

THE TENANTS' REPRESENTATIVE & TENANTS STATED THAT THE BUILDING HAD A FIRE AND THE OWNER RECEIVED INSURANCE PROCEEDS FOR THE REPAIRS. ALSO, THE TENANTS CITED HARDSHIP AND LACK OF BUILDING SERVICES. TENANTS OF APTS 4K & 14L SUBMITTED FLOOR PLANS TO CHALLENGE ROOM COUNT. THE OWNER WAS NOTIFIED. OWNER SAID THAT A FIRE HAD OCCURRED IN THE BUILDING ON 6/24/10 AND THE INSURANCE PROCEEDS OF \$177,354.50 WAS USED TO REPLACE THE HALLWAY CARPET THROUGHOUT THE BUILDING. THE OWNER REVISED THE ROOM COUNT FOR APTS 2A FROM 6 TO 5; 17A FROM 4 TO 5; 20A FROM 6 TO 7; 9B FROM 3 TO 4; 3C/4C/9C/14C FROM 5 TO 4; 3D/4D/14D FROM 2 TO 3; 17G FROM 3 TO 5; 20G/21G, 2L TO 9L & 11L TO 19L FROM 2 TO 1; 10L FROM 3 TO 1 ROOM. ALSO, APT 4K FLOOR PLAN SHOWS THE APT HAS 4 ROOMS. TENANTS WERE NOTIFIED AND NO FURTHER RESPONSE WAS RECEIVED. THE TOTAL ROOM COUNT IS AMENDED FROM 700 TO 683 ROOMS. TENANTS ARE ADVISED TO FILE WITH THIS AGENCY APPLICATIONS FOR RENT REDUCTION BASED ON DECREASED SERVICES. NOTES: 1. LOBBY RENOVATION CONSISTS OF MAILBOXES/CARPETING/ELEVATOR CAB WORK ETC. THE APPROVED COST IS FOR MAILBOXES & STORAGE DOORS. 2. ALL HALLWAY FLOORING/CARPETING WERE REPLACED WITH INSURANCE PROCEEDS ON 8/27/10; SUBSEQUENTLY THE OWNER VOLUNTARILY REPLACED THE CARPET. 3. CONSULTING SERVICES RELATED TO LOBBY RENOVATION. 4. THE EFFECTIVE DATE IS AMENDED TO 3/1/14 TO REFLECT THE DATE OF ARCHITECT'S LETTER THAT 'C' VIOLATION IS CURED AS OF 2/11/14.

To: TENANTS OF 200 E 71 STREET
 C/O DONALD MITCHELL
 ADAM LEITMAN BAILEY, P.C.
 120 BROADWAY, 17TH FLOOR
 NEW YORK NY 10271



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II. DHCR FINDS: The legal regulated rent for all stabilized and rent controlled housing accommodations are increased by \$0.33 per room per month.

This increase is subject to the limitations outlined under Section V. for rent controlled tenants and Section VI. (C) for rent stabilized tenants. Notice temporarily reducing MCI increase may follow if owner received J-51 abatement.

<u>III. ITEM</u>	<u>CLAIMED COST</u>	<u>APPROVED COST</u>	<u>REASON FOR DISALLOWANCE</u>
LOBBY RENOVATION	1,176,102.00	18,663.00	SEE NOTE 1
ARCHITECT FEES	313,176.00	0.00	NOT MCI ELIGIBLE.
HALLWAY CARPETING	250,865.50	0.00	SEE NOTE 2
ENTRANCE CANOPY	195,360.00	0.00	NOT MCI ELIGIBLE.
CONSULTING SERVICES	122,187.50	0.00	SEE NOTE 3

IV. COMPUTATION OF PERMANENT RENT INCREASE:

1. Total approved cost	\$	18,663.00
2. Divided by 84 months	\$	222.18
3. Total rooms		683
4. Rent increase per rm. per mo.	\$	0.33

V. RENT CONTROLLED APARTMENTS - EFFECTIVE DATES AND LIMITATIONS:

For rent controlled tenants, increase is effective and collectible on 03/01/2015 and shall not exceed 15% of the rent as of 02/24/2015 each year.

VI. RENT STABILIZED APARTMENTS:

A) EFFECTIVE DATES:

For stabilized tenants, increase is effective as of 03/01/2014; collectible as of 03/01/2015.

B) TEMPORARY RETROACTIVE INCREASE (RENT STABILIZED ONLY):

Permanent increase \$ 0.33 X 12 mos. (03/01/2014 to 03/01/2015) =
 \$ 3.96 per room.

C) LIMITATION ON COLLECTIBILITY:

Pursuant to section 26-511 (c) (6) of the Rent Stabilization Law, collection of the rent increase, including any temporary arrears which may be due, shall not exceed 6% of the rent as of 06/01/2012 (the rent roll date) in any 12 month period, with the excess spread forward in similar increments. Total arrears may be higher as the result of the compounding of guidelines increases during the retroactive period. Permanent rent increase is to be collected first.



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VII. IMPORTANT:

- (1) Service reduction orders bar collectibility of this increase for any period during which such reduction order is in effect.
- (2) To collect this increase the lease must provide for an increase pursuant to DHCR order.
- (3) For this MCI to be collectible during a vacancy lease term the vacancy lease must state that MCI is pending and list items.
- (4) If a stabilized tenant moves from the building on/after this order's effective date, owner may charge prior tenant full increase for period tenant was in apartment.
- (5) Sr. citizens who qualify for SCRIE may not have to pay the increase. For SCRIE information call 311.
- (6) Disabled persons who qualify for DRIE may not have to pay the increase. For DRIE information call 311.
- (7) If you believe this order is based on an error in law and/or fact you may file a Petition for Administrative Review within 35 days of issuance of this order. Call (718) 739-6400 or visit your Borough Rent Office and request form RAR-2.

MATHEWS C. VARGHESE
Rent Administrator
Date Issued: 02/24/2015

Attachment(s): APARTMENT/TENANT LISTING