



**Notice Re 2010-11 Maximum Base Rent (MBR) Program  
 (For Buildings With Rent Controlled Apartments)**

RE: [ ]

[ ]

Attached you will find the following:

- Violation Certification (Form VC, 03/09) and Instructions (Form VC-Instructions, 03/09);
- Operation and Maintenance and Essential Services Certification (Form OMESC, 03/09) and Instructions (Form OMESC - Instructions, 03/09).
- Rent Schedule of All Apartments for Operation and Maintenance and Essential Services Certification (Form OMESC-Schedule)

If your building no longer contains rent controlled apartments, do not file these forms.

To expedite processing an application for cooperative or condominium buildings, the managing agent or representative must file for all Rent Controlled Apartments in the subject building. Only one filing will be accepted for each building. Applications will not be accepted for individual owners of co-op/condo apartments.

Upon receipt of your completed Rent Schedule, you will receive an MBR Fee Payment Notice. To expedite processing, be sure to mail your payment to the lock box indicated on the notice. Do not mail any payment to the Division of Housing and Community Renewal (DHCR) at Gertz Plaza. Doing so will result in serious processing delays. The fee is non-refundable and must be paid in full for all rent controlled apartments as listed on the rent schedule filed with the operation and maintenance form. The fee is non-adjustable.

If you no longer own or manage these premises, please complete the information below and return this notice and the attached material as soon as possible to the address at the top right corner of this sheet, so we may forward it to the current owner or managing agent. (You may return this to us First Class Postage - Collect.)

I am no longer the (check one)  Owner  Managing Agent  
 of the above-mentioned premises.

The current  Owner  Managing Agent is:

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone No. ( ) \_\_\_\_\_

Other Information: (Optional)

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## Instructions for 2010-11 Maximum Base Rent Program

### MBR Certification Requirements and Forms

See specific form instructions for assistance in completing each form.

In order to qualify for 2010-11 Maximum Base Rent (MBR) increases for a building, you are required to file the following forms with DHCR at the above address:

1. **"Violation Certification,"** Form VC, which requires you to certify **either**:
  - a. (By completing Section A) that you have cleared, corrected or abated all rent-impairing and 80% of all other New York City Department of Housing Preservation and Development, Division of Code Enforcement (NYC HPD DCE) violations which were on record as of January 1, 2009 if Violation Certification is filed by June 30, 2009, or six months prior to your certification if filed later than June 30, 2009; **OR**
  - b. (By completing Section B) that within 30 days of the date of filing, you will clear, correct or abate all rent-impairing and 80% of all other NYC HPD DCE violations which were on record as of January 1, 2009, and agree to fulfill other requirements of Section B ( Last date of filing is June 30, 2009.)

**Note:** If no violations were on record for the subject premises on January 1, 2009, you are not required to file a Violation Certification for an MBR Order effective January 1, 2010, provided the "Operation and Maintenance and Essential Services Certification" form is filed timely. **If you fail to file the Operation and Maintenance Form timely (October 5, 2009), a Violation Certification Form is required even if there are no violations pending as of January 1, 2009.**

2. An **"Operation and Maintenance and Essential Services Certification,"** Form OMESC. This form requires you to certify that you:
  - a. Are maintaining and will continue to maintain all essential services, and
  - b. Have made payments and/or incurred obligations to pay at least 90% of the operation and maintenance expense allowance for the building.

### Filing Dates and MBR Effective Dates

The effective date of your MBR Order depends upon when you file these certification forms, provided that your certifications prove to be correct. The timing is prescribed in the law. Therefore, the later these certifications are filed, the later the effective date of the MBR Order.

#### For an MBR Order Effective January 1, 2010:

1. Violation Certification (Form VC), if required, must be filed **no later than June 30, 2009; and**
2. Operation and Maintenance and Essential Services Certification (OMESC) must be filed **no later than October 5, 2009.**
3. To expedite your application, it is advisable to file the OMESC form with the Violation Certification **by June 30, 2009.**

#### For an MBR Order with a later Effective Date:

Violation Certifications (Section A only) will be accepted until May 31, 2011 and Operation and Maintenance and Essential Services Certifications will be accepted until August 31, 2011. The earliest possible effective date will be six (6) months from the date of filing of the Violation Certification or three (3) months from the date of filing of the Operation and Maintenance and Essential Services Certification, whichever is later.

### Re-Entry After Denial

If a 2010-11 MBR is denied, you may challenge that determination within 35 days of the issue date of the Order by filing a MBR Challenge (Form RA-94-MBR) with DHCR. You may also choose to re-enter the MBR system to qualify for prospective MBR increases for this cycle. The procedures for re-entry are as follows:

- You must complete a new Violation Certification, Section A and check the "refiling" box in Section A; **and**
- You must provide a recent Report of Search, no more than 90 days old, or receipt of request for a Report from the New York City Division of Code Enforcement
- In addition, if an MBR was denied for failure to meet Operation and Maintenance and Essential Services Certification (**OMESC**) requirements, you must also file a new **OMESC** Certification.

All re-entry filings should be sent to the DHCR at the above address.

**Instructions for Violation Certification 2010-11 MBR Cycle**  
(Also see "Instruction Highlights" on side two of the Violation Certification form.)

Please note the following definitions for terms used below:

- "Requisite Number of Violations": all rent-impairing New York City Department of Housing Preservation and Development, Division of Code Enforcement (NYC HPD DCE) violations and at least 80% of all other NYC HPD DCE violations.
- "Date of Filing": the date the Violation Certification form and any required attachments are received by the DHCR
- "Report of Search": a Report of Search issued by the NYC HPD DCE within the 90-day period before the date of filing.

**Refer to the HPD website for the pending violations. If there are no NYC HPD DCE violations recorded against the subject premises as of January 1, 2009, you are not required to file a Violation Certification.** However, if the O & M Certification is filed after 10/5/09, a Violation Certification is required even if the HPD website shows no violations on record.

**If there are pending violations on record as of January 1, 2009 and you wish to qualify for a 2010-11 MBR increase for the subject premises, you are required to file a Violation Certification** in accordance with Items I, II or III below.

- I. If, by June 30, 2009, you can certify that you have already cleared, corrected or abated the requisite number of violations listed for the subject premises, do the following:
  - Complete Section A of the Violation Certification form;
  - File the form, plus any Requests for Waiver and any relevant documentation of violation removal with the DHCR **no later than June 30, 2009.**
- II. If you cannot certify to Item I above, but you can certify by June 30, 2009 that, within 30 days of the date of filing you agree to clear, correct or abate the requisite number of violations listed for the subject premises, and also agree to all other terms and conditions in Section B of the Violation Certification, do the following:
  - Complete Section B of the Violation Certification form;
  - File the form, plus any Requests for Waiver and any relevant documentation of violation removal with the DHCR **no later than June 30, 2009.**
- III. If you cannot comply with Items I or II above, you may keep the Violation Certification form for filing no later than May 31, 2011. In such case, do the following:
  - Obtain a "Report of Search", issued no more than 90 days prior to the delayed filing date, from the NYC HPD DCE;
  - Determine which violations were on record for the subject premises six (6) months prior to your intended date of filing;
  - Complete Section A of the Violation Certification Form, certifying that you have cleared, corrected or abated the requisite number of violations on record as of six months prior to the date of filing;
  - Attach the Report of Search and all relevant documents to the Violation Certification (see notes below on requesting waiver from DHCR); and
  - File it with the DHCR within 90 days of the issuance date of the Report of Search.

**Notes on requesting a waiver from DHCR:**

If NYC HPD DCE has not inspected the subject building recently and/or certain violations are of a type which you believe should be waived for MBR purposes, you may request a waiver from DHCR at the time you file the Violation Certification Form.

In order to request a waiver, you must submit a separate statement identifying the specific violation (by item number) for which you are seeking a waiver and the documentary evidence you wish considered. Such evidence may include but is not limited to the following:

1. Copies of registered letters to tenants together with postal registry receipts for tenant-induced violations, or proof of inability to gain access to make repairs;
2. Letters from tenants indicating violation removal;
3. Court proceedings;
4. Paid bills with cancelled checks;
5. Affidavits from contractors who completed the repairs; and/or
6. Affidavits from Licensed Architects and/or Engineers.

**Note: All evidence submitted should contain dates when violations were cleared.**

**Use of Licensed Architects and/or Engineers:**

Affidavits from licensed architects or engineers which itemize each pending violation and certify that it has been corrected will be accepted for rent-impairing and non-rent-impairing violations. The architect's or engineer's license number or seal must be affixed to the affidavit.

Waivers, if granted, are subject to tenant challenge which would be followed up with a DHCR inspection. Any waivers are for MBR purposes only and do not relieve the owner of the responsibility for removing the violations from NYC HPD DCE records. However, if the O & M Certification is filed after 10/5/09, a Violation Certification is required even if there are no violations on record as of 1/1/09.



New York State  
**Division of Housing and Community Renewal**  
 Office of Rent Administration  
 Web Site: www.nysdchr.gov

MBR Section  
 Gertz Plaza  
 92-31 Union Hall Street  
 Jamaica, NY 11433  
 (718)739-6400

For DHCR Use Only

**Violation Certification - 2010-11 Maximum Base Rent**

**Note:** Please read the "Instructions for 2010-11 Maximum Base Rent Certification", (Form VC-Instructions), and the Instruction Highlights on Side Two of this form before completing this Certification. Complete **either** Section A or Section B. The completed Certification, together with all required attachments, should be filed with the Division of Housing and Community Renewal (DHCR) at the above address.

**Address of Subject Building:**

**Mailing Address of Owner or Managing Agent:**

Number/Street: \_\_\_\_\_ Name: \_\_\_\_\_

Building Also Known As: \_\_\_\_\_ Number/Street: \_\_\_\_\_

City: \_\_\_\_\_ Zip Code: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**Building Registration Number:** \_\_\_\_\_ Business Telephone No.: (\_\_\_\_) \_\_\_\_\_  
(On File with DHCR)

Total Number of Buildings Covered by this Building Registration Number: \_\_\_\_\_

List all other building addresses which are covered by the above Building Registration Number: \_\_\_\_\_

Attach additional sheets if necessary.

**Section A - Violation Certification 2010-11 Maximum Base Rent**

I, \_\_\_\_\_  Owner  Managing Agent  Authorized Representative,  
(Print Name) (Checkmark correct title)

**Certify**, under penalties provided by law (See "Warning" below) that I have cleared, corrected or abated all rent-impairing and at least 80% of all other New York City Code Enforcement Violations, if any, that were recorded against the subject premises on January 1, 2009 if I am filing by June 30, 2009 or as of six months prior to the date of filing (per recent Report of Search attached) if I am filing after June 30, 2009.

Date of Certification: \_\_\_\_/\_\_\_\_/\_\_\_\_ Signature of Person Certifying: \_\_\_\_\_

If you seek to qualify for prospective 2010-11 MBR increases after you have received an Order Denying Establishment of 2010-11 MBR (Form RO-86), complete the above section and check this box:

I am refileing for a 2010-11 MBR. I previously have received a 2010-11 MBR Denial Order. I am attaching evidence of clearance of violations that were recorded against the subject premises as of six months prior to date of refileing.

**Section B - Certified Violation Removal Agreement (Can be filed only on or before June 30, 2009)**

I, \_\_\_\_\_  Owner  Managing Agent  Authorized Representative  
(Print Name) (Checkmark correct title)

**Agree and Certify** under penalties provided by Law (see "**Warning**" below) that I will clear, correct or abate, within 30 days after the Date of Filing, all rent impairing and 80% of all other New York City Code Enforcement Violations that were recorded against the subject premises as of January 1, 2009.

I understand that:

1. I must comply with this agreement within 30 days;
2. DHCR may request from the New York City Department of Housing Preservation and Development, Division of Code Enforcement (NYC HPD DCE) an inspection of the subject premises upon the expiration of 30 days without further notice to me;
3. DHCR will issue an appropriate 2010-11 MBR Order based upon the results of the inspection report from the NYC HPD DCE;
4. An MBR Order of Eligibility based on this Section B may have an effective date later than January 1, 2010;
5. I may be notified subsequently to deposit money into an escrow account with the State of New York, in order to be eligible for a January 1, 2010 effective date; and
6. Requests for waiver of specific violations should be submitted with this agreement.

Date of Certified Agreement: \_\_\_\_/\_\_\_\_/\_\_\_\_ Signature of Person Certifying: \_\_\_\_\_

**Warning:** Any person who makes any statement or entry which is false in any material respect or wilfully omits or neglects to make any material statement or entry required to be made on this form, shall be guilty of a crime punishable by imprisonment or by a fine, or by both fine and imprisonment, and, in addition, a civil fine which may be levied by the Commissioner for each violation. (See Penal Law, Secs. 175.30, 175.35, 210.45; New York City Administrative Code Secs. 26-412e, 26-413a, 26-413b(2) and 26-413b(2)(a).)

**Instruction Highlights for Violation Certification, 2010-11 MBR Cycle  
(Complete Instructions appear on Form VC-Instructions)**

File this certification only if there are **Rent Controlled Apartments** in subject building.

If the HPD website shows that there are no New York City Code Enforcement Violations recorded against the subject premises as of January 1, 2009, **you are not required to file a Violation Certification.** A copy of the violations on the HPD website has been placed in DHCR files for review in determining your MBR eligibility. **However, if the Operation & Maintenance and Essential Services (O & M) Certification is filed after 10/5/09, a Violation Certification is required even if there are no violations on record as of 1/1/09.**

If you have official evidence, including violation documentation from the New York City Department of Housing Preservation and Development, Division of Code Enforcement (NYC HPD DCE) which you believe reflects a more accurate picture of the violation(s) on record with HPD as of January 1, 2009, send this evidence to DHCR with your completed certification.

If you have official NYC HPD DCE reports providing evidence of dismissal of some or all of the violation(s) on record, you may expedite the processing of the MBR Application by sending these original documents along with your Violation Certification.

If you are certifying after June 30, 2009, you must obtain a recent Report of Search and submit it, and any other official evidence you may have, to DHCR. A "**recent Report of Search**" is a **Report which was issued within 90 days of the Date of Filing (date received by the DHCR).** It is from this document that you must determine which violations were on record six months prior to the date of filing of your Violation Certification.

### **Section A - Violation Certification**

Complete Section A and file no later than June 30, 2009 if there were violations on record as of January 1, 2009, and you have actually cleared, corrected or abated all rent impairing and at least 80% of all other New York City Code Enforcement violations on record as of January 1, 2009.

If you cannot certify to the above by June 30, 2009, and will not certify Section B, "Certified Violation Removal Agreement" by June 30, 2009, you may retain the certification form and complete Section A and file the form along with a recent Report of Search anytime before May 31, 2011. In such cases, the earliest possible effective date will be six (6) months from the date of filing of the certification.

### **Section B - Certified Violation Removal Agreement. Will not be accepted after June 30, 2009.**

If by June 30, 2009, you cannot certify that you have already cleared, corrected or abated the requisite number noted of violations (Section A), but you agree and are willing to **certify that you will do so within 30 days**, you may complete Section B. Read carefully the terms and conditions of the agreement that appear in Section B of the form before you sign it. **If you complete Section B, do not complete Section A.**

### **Request for Waiver Guidelines**

A request for waiver of a specific violation must identify by item number each of the violations sought to be waived for Maximum Base Rent purposes. There is no prescribed form to request a waiver of violations. However, attached to any such request must be documentary evidence as indicated below, since the determination of the request for waiver will be made based on the documentary evidence submitted with the request. Such evidence may include but is not limited to:

1. Copies of registered letters to tenants together with postal registry receipts for tenant-induced violations, or proof of inability to gain access to make repairs;
2. Letters from tenants indicating violation removal;
3. Court proceedings;
4. Paid bills with cancelled checks;
5. Affidavits from contractors who completed the repairs; and/or
6. Affidavits from licensed architects and/or engineers.

**Note: All evidence submitted should contain dates when violations were cleared.**

### **Use of Licensed Architects and/or Engineers**

Affidavits from licensed architects or engineers, which itemize each pending violation and certify that it has been corrected, will be accepted for rent-impairing and non-rent-impairing violations. The architect's or engineer's license number or seal must be affixed to the affidavit.

Waivers will also be considered in the following areas, where acceptable documentary evidence is submitted:

**Sign-Off Delay** - For example, if you are claiming administrative delay in securing sign-off of construction violations from the New York City Department of Buildings, submit evidence of plans filed and work performed.

**Apartment Access** - Where the owner has been denied access to make necessary repairs, proof of attempts to gain access must be submitted. Such proof should include but is not limited to dates, times and circumstances of each attempt. (Where court action was instituted, the court, title and index number must be submitted.) Copies of certified letters, including return receipts, or copies of unopened mail refused by tenant, may be submitted. Owner may also submit written statements from the tenant or neighbors. Affidavits from responsible contractors may be submitted for consideration. Affidavits from superintendents, janitors and handymen are generally afforded less weight.

**Multiple Violations** - When requested by the owner, all separate plastering/painting violations listed for an individual apartment may be considered as one violation within the apartment. However, separate violations for dumbwaiters opening into individual apartments or violations for bell and buzzer systems and fire-proof doors listed separately by the NYC HPD DCE will be counted as separate violations.

**Recurring Violations** - Where the owner claims that previously corrected violations have recurred prior to a NYC HPD DCE inspection, without fault or neglect of the owner, proof of repairs should be submitted. Where, however, essential services as defined by the rent regulations are involved, recurring violations will not be waived.

**Tenant Induced Violations** - Violations caused by tenants, such as window gates, encumbrances on roofs, fire escapes, etc. shall be considered for waiver upon submission of evidence.



## Instructions for 2010-11 Operation and Maintenance and Essential Services Certification

The Operation and Maintenance and Essential Services Certification (O & M) must be filed or postmarked no later than October 5, 2009 to be considered for an MBR Order effective January 1, 2010. Late Operation and Maintenance and Essential Services Certifications will be accepted until August 31, 2011.

If you own more than one building, certify by filing a separate form for each individual building. If the individual buildings are part of a multiple building complex, you may calculate the operating expenses for the entire complex and submit one master form accompanied by a complete rent schedule for each building in the complex. **Along with the master form, you must file a separate certification form for each building in the complex indicating the individual building address and referencing the master form which satisfies the certification requirement for the complex.**

**I The First Step** is to determine the Total Annualized Rent for 2009 by completing the Rent Schedule as follows:

For every Rent Controlled apartment in your building, list the apartment designation, name of Rent Controlled tenant, and monthly collectible rent on January 1, 2009. The collectible rent must exclude Fuel Cost Adjustment(s) but include all other Surcharges. For apartments that are rent stabilized, vacant, or exempt from regulation (including owner- and employee-occupied apartments, apartments used for professional and commercial purposes, Co-ops/Condos occupied by owner or non-protected tenants, apartments used for not-for-profit purposes, and apartments where Sec. 11-243 or 11-244 (J-51), Section 608 and 421-A benefits have expired), enter the total monthly rent that was collectible on January 1, 2009 on line B only. Do not individually list these apartments.

Do not include income from commercial space, except from apartments that are used for professional and commercial purposes.

In the case of apartments that are owner-occupied, or employee-occupied, the rent entered should be comparable to the amounts paid for similar rent stabilized apartments in the building.

For vacant apartments that are subject to rent regulation, the rent entered should be the legal regulated rent that would otherwise be collectible.

For vacant apartments that are not subject to rent regulation, the rent entered should be the free market rent.

For vacant apartments that have been decontrolled and will become subject to rent stabilization, the rent entered should be the initial legal regulated rent that would be collectible when occupied by the first rent stabilized tenant.

For apartments where tenants hold a valid Senior Citizen Rent Increase Exemption (SCRIE) or Section 8 certificate, rents that would have been collectible without exemption should be listed, **not** the rents actually collected.

Make sure each sheet of the Rent Schedule is numbered, that the MDR (Multiple Dwelling Registration) Number is entered, and that the Total Monthly and Total Annualized Rents for all apartments listed are entered on the last sheet. The Total Annualized Rent is determined by multiplying the Total Monthly Rent by 12.

**II The Second Step** is to compute the O&M Expense Allowance using Schedule A on pages 2 & 3 of the form. To complete Schedule A you must refer to your latest computed MBR Order to determine the payroll classification of your building. (See Procedure for Determining Building(s) Payroll Classification on pages 3 and 4 of these Instructions.)

If your building is "Normal Payroll" use Section (1) of Schedule A. If a Labor Cost Adjustment(s) was granted for the building, the Annual Building Wide Modification(s) for labor must be included in (I) and reflected in (J). If your building is "High Payroll" use Section (2) of Schedule A to determine your O&M Expense Allowance.

**Note:** The "Normal Payroll" and "High Payroll" sections of Schedule A are broken down according to Options. Option I is the primary O&M computational formula that has been used since the beginning of the MBR program. It is based on applying a standard adjustment factor for the fuel allowance component of the formula. Option II is the computational formula from the optional O&M application, introduced for the 1986-87 MBR cycle. It is based on allowing owners to use actual heating fuel price changes (between April 1979 and December 2008) and consumption to determine their O&M expense allowance.

**Owners may choose between Option I and Option II in computing their 2010-11 expense allowance.**

**Note:** Owners who choose Option II must follow the standard instructions on this sheet, and, **in addition**, read the instructions carefully and complete page 4 (Computation of Heating Fuel Price Change 4/79-12/08). Remember, this is relevant only if Option II is chosen to compute the O&M allowance.

**Note: Instructions for Completing Page 4 -Option II**

1. Check the type(s) of heating fuel(s) purchased during the annual period claimed for your actual O&M expense period. (The annual O&M period is the same as the one cited below line 7 of Part A.)
2. Enter the total quantity(ies) of heating fuel(s) delivered during the O&M period claimed (Part A under Item 7) under the column headed "Annual Delivery".
3. Multiply the quantity(ies) of heating fuel(s) entered in the "Annual Delivery" column by the price change(s) indicated and enter the amount(s) in "Total Cost" column.
4. Add lines 1 through 11 and enter the total on line H, Option II, Page 2 (for Normal Payroll buildings) or line I, Option II, Page 3 (for High Payroll buildings).

Fill out the applicable section of Schedule A using the figures on your latest computed MBR Order for the total number of rooms and apartments and year of construction. If you are computing the O&M Expense Allowance for a "High Payroll" building the Total Annual Payroll shown on the latest computed MBR Order must be updated as follows before using this figure in your calculation:

If your latest computed MBR Order is for:	Then use:
2008-09.....	2008 Total Annual Payroll
2006-07.....	2006 Total Annual Payroll x 1.108
2004-05.....	2004 Total Annual Payroll x 1.199
2002-03.....	2002 Total Annual Payroll x 1.290
2000-01.....	2000 Total Annual Payroll x 1.376
1998-99.....	1998 Total Annual Payroll x 1.461
1996-97.....	1996 Total Annual Payroll x 1.541
1994-95.....	1994 Total Annual Payroll x 1.673
1992-93.....	1992 Total Annual Payroll x 1.859
1990-91.....	1990 Total Annual Payroll x 2.067
1988-89.....	1988 Total Annual Payroll x 2.287
1986-87.....	1986 Total Annual Payroll x 2.573
1984-85.....	1984 Total Annual Payroll x 3.009
1982-83.....	1982 Total Annual Payroll x 3.509
1980-81.....	1980 Total Annual Payroll x 4.052
1978-79.....	1978 Total Annual Payroll x 4.764
1976-77.....	1976 Total Annual Payroll x 5.276
1974-75.....	1974 Total Annual Payroll x 6.431
1972-73 (See "Special Note" at end of instructions).....	1972 Total Annual Payroll x 7.667

\*Plus Annual Building-wide MBR Modification(s) for Labor, if any.

**III. The Third Step** in filling out the Certification Form is to complete Part A of the form by making the appropriate entries in Items (1) through (7) as described below:

**Item (1)** Enter the Total Annualized Rent from the last page of the Rent Schedule.

**Item (2)** Enter the 2008 Total Maximum Base Rent including Annual Building-wide MBR Modification(s) for Labor, if any, determined as follows:

If your latest computed MBR Order is for:	Then Enter	"Total MBR" is contained on:
2008-09.....	Total 2008 MBR	Computed Order of Eligibility (Form RO-30C-V, RO-30C-NV, or RO-30C)
2006-07.....	Total 2006 MBR x 1.060	Item called "Total Maximum Base Rents"
2004-05.....	Total 2004 MBR x 1.147	"
2002-03.....	Total 2002 MBR x 1.344	"
2000-01.....	Total 2000 MBR x 1.485	"
1998-99.....	Total 1998 MBR x 1.549	"
1996-97.....	Total 1996 MBR x 1.608	"
1994-95.....	Total 1994 MBR x 1.656	Landlord's Order of Eligibility (Form R0-30C)
1992-93.....	Total 1992 MBR x 1.900	Item called "Total Maximum Base Rents"
1990-91.....	Total 1990 MBR x 2.105	or
1988-89.....	Total 1988 MBR x 2.273	Owner's Order of Maximum Base Rent -
1986-87.....	Total 1986 MBR x 2.646	Item 17, "Total Maximum Base Rents - All Apartments"
1984-85.....	Total 1984 MBR x 2.951	Landlord's Order of Maximum Base Rent
1982-83.....	Total 1982 MBR x 3.172	Item called "Total Maximum Base Rents - All Apartments"
1980-81.....	Total 1980 MBR x 3.521	or
1978-79.....	Total 1978 MBR x 3.873	MBR Building Profile and Owner's Order
1976-77.....	Total 1976 MBR x 4.221	Item 15, "Maximum Base Rent - All Apartments"
1974-75.....	Total 1974 MBR x 5.150	
1972-73.....	Total 1972 MBR x 5.588	

\*Plus Annual Building-wide MBR Modification(s) for Labor, if any.

**Items (3) through (6)** Follow instructions on form.

**Item (7)** Actual O&M expenses to be entered should be those incurred for any 12 consecutive months between January 1, 2008 and September 30, 2009. Indicate the period selected by entering the month and year of the first and last month of the period in spaces provided under Item (7). In order to qualify for Maximum Base Rent increases effective January 1, 2010, the period selected for presentation of your actual O&M expenses cannot extend beyond September 30, 2009. If the selected period ends later than September 30, 2009, the effective date for your order will be at least 90 days after the end of such period.

Actual Operation and Maintenance expenses may only include such items as fuel, gas and electricity for public areas, payroll (including rental value of superintendent's apartment, where applicable), management fees, repairs, insurance, annual depreciation charge for capital improvements and replacements that do not increase the assessed valuation of the building, and other expenses of operation of the building such as legal and accounting fees, fees for permits, MBR fees and charges for pest extermination. You **may not** include mortgage interest or amortization of mortgage. **Do not include real estate taxes or water and sewer charges.** Under the Maximum Base Rent System, these items are separate components of the Maximum Base Rent formula and are not included in the Operation and Maintenance Allowance.

Owners who manage their buildings by themselves, or with the help of employees, on a day-to-day basis, may include: fees and salaries actually paid to such employees, expenditures incurred specifically related to management, and an amount equal to the value of the services performed in the management of the building. In no event shall the total management expenses exceed 7 per cent of the actual annual rent roll for buildings containing 12 or fewer apartments or 5 per cent of the actual annual rent roll for buildings containing more than 12 apartments unless the actual management fee paid to a party independent of and unrelated to the owner exceeds such percentage.

If you perform all janitorial services for your own building you may include an allowance for your time spent on such work. The monthly allowance for such work is \$89.82 per apartment, per month.

Allocation of expenses incurred is required if the expense was incurred for more than one building or the owner maintained more than one building. There is no mandated procedure for the allocation of such expenses; however, the determination must be equitable, justifiable and provable.

New owners who do not have access to the expense records of the previous owner must have operated the building at least four months before computing actual expenses in order to certify. The actual expenses entered in Part A Item (7) must be annualized. For example, if the building has been operated for the minimum acceptable period of time (four months) the expenses for those four months must be multiplied by 3 to obtain the annual figure to be entered in Part A Item (7).

Item (7) is compared to Item (6) or (6A) to determine if the appropriate level of expenses has been met.

If the amount in Item (7) is equal to or greater than the amount in Item (6) or (6A), then you can make the certification required by law.

**IV. The Fourth Step** in filling out the Certification Form is to certify that (1) you have expended or incurred 90 per cent of the allowance for O&M expenses applicable to your building and (2) that you have and will continue to maintain essential services.

Essential services are defined as heat during the part of the year when required by law, hot water, cold water, superintendent services, maintenance of front or entrance door security (including, but not limited to, lock and buzzer), garbage collection, elevator service, gas, electricity and other utility services to both public and required private areas and such other services when failure to provide and/or maintain such would constitute a danger to the life or safety of, or would be detrimental to the health of the tenant or tenants.

The completed certifications are valid only if signed and dated in the space provided in Part B.

To expedite your MBR application it is advisable to file your Operation and Maintenance forms with the Violation Certification by June 30, 2009. However, Operation and Maintenance forms filed by October 5, 2009 will be considered timely.

The Certification Form and Rent Schedule must be filed at the **Division of Housing and Community Renewal, Office of Rent Administration, 92-31 Union Hall Street, Jamaica, New York 11433.**

#### **Procedure for Determining Building(s) Payroll Classification**

If a 2008-09 "Computed Order" titled **Landlord's Order of Eligibility** was issued, or the latest "Computed Order" was for the period 2006-07, 2004-05, 2002-03, 2000-01, 1998-99, 1996-97, 1994-95, 1992-93, 1990-91, 1988-89, 1986-87, 1984-85, 1982-83, 1980-81, 1978-79, 1976-77 or 1974-75; look at the box captioned "**Total Annual Payroll**" on the Order:

If no dollar amount is indicated, the building is classified as having "Normal Payroll".

If a dollar amount is indicated, the building is classified as having "High Payroll".

### **"Computed Order" was for the period 1972-73:**

If the "Computed Order" issued was one entitled **Maximum Base Rent Building Profile and Owner's Order**, look at Item 14, **"Total Annual Payroll"** on the order:

If no dollar amount is indicated **or** if the amount shown, when divided by the **"Total Number of Units"** in Item 3 on the Order, is less than \$300.00, then the building is classified as having "Normal Payroll".

If the dollar amount shown, when divided by the **"Total Number of Units"** in Item 3, is \$300.00 or greater, the building is classified as having "High Payroll".

**"Computed Order"** issued was one entitled **Landlord's Order of Maximum Base Rent**, look at the box captioned "Type of Payroll" on the Order:

If the word "High" does not appear, the building is classified as having "Normal Payroll".

If the word "High" appears, the building is classified as having "High Payroll".

### **Special Note Re: "High Payroll" 1972-73 MBR Order**

The amount appearing in the box "Total Annual Payroll" was representative of the annual payroll cost for the building in January 1972. However, due to computer programming limitations, if the annual payroll cost at that time was \$100,000.00 or more, the initial digit may not have been printed. Therefore, a corrective adjustment may be required to the amount appearing in the box "Total Annual Payroll".

If the building's **current** annual payroll cost is less than \$100,000.00, no correction is required and the amount shown on the Order as "Total Annual Payroll" should be used.

However, if the building's **current** annual payroll cost is greater than \$100,000.00 and if, in your judgment, the annual payroll cost in January 1972 was also in excess of \$100,000.00, a corrective adjustment must be made where the initial digit was not printed on your Order. (Example: If the Order indicates "Total Annual Payroll" in the amount of \$47,500.00 and the building's annual payroll cost in January 1972 was \$100,000.00 greater than \$47,500.00, then the amount to be used should be \$147,500.00.)

Where the omission of the initial digit in the "Total Annual Payroll" box represented a disparity of \$200,000.00, then the amount of \$247,500.00 should be used.

Where the omission of the initial digit caused disparity of \$300,000.00 etc., corrective adjustment should be made as explained above to establish the appropriate amount to be used.

### **Special Notice and Instructions Regarding Alternative Standard Operating And Maintenance Expense Allowance**

DHCR has amended the New York City Rent and Eviction Regulations to permit owners to use an alternative standard operating and maintenance expense allowance determined by DHCR. The amendment enables owners to use this standard allowance as an alternative to itemizing their actual operating and maintenance expenses.

### **Instructions For Owners Using The Alternative Procedure:**

1. Check box under Part A indicating you are using the Alternative Procedure.
2. Complete the Rent Schedule by following instructions stated under Step I of this form. Enter results in Item 1, Part A of the Certification.
3. Skip lines 2 thru 6.
4. Complete Item 6A, Part A of the Certification by multiplying Item 1 by 0.4217.
5. Complete Item 7 and "Period covered by the above expenses".
6. Complete Part B - Certification.



New York State  
**Division of Housing and Community Renewal**  
 Office of Rent Administration  
 Gertz Plaza  
 92-31 Union Hall Street  
 Jamaica, NY 11433  
 (718)739-6400  
 Web Site: www.nysdhcr.gov

Warning: Any person who makes any statement or entry which is false in any material respect or wilfully omits or neglects to make any material statement or entry required to be made on this form, shall be guilty of a crime punishable by imprisonment or by a fine, or by both fine and imprisonment and, in addition, a civil fine which may be levied by the Commissioner for each violation. (See Penal Law, Secs. 175.30, 175.35, 210.45; New York City Administrative Code Secs. 26-412e, 26-413a, 26-413b(2)(a).)

**Operation & Maintenance and Essential Services Certification - 2010-11 Maximum Base Rents**

**Important: Read instruction sheet carefully before filling out this form.**

**Mailing Address of Owner/Managing Agent:**

Name: \_\_\_\_\_  
 Number/Street: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Telephone: ( ) \_\_\_\_\_

Telephone number must be a local number at which you can be reached from 9 AM to 5 PM weekdays

**Address of Subject Building:**

Number/Street: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Building Registration Number (On File with DHCR): \_\_\_\_\_

List all other addresses by which this building may be known:  
 1. \_\_\_\_\_  
 2. \_\_\_\_\_

**This form and required schedule must be filed by the owner/managing agent with DHCR, Gertz Plaza, 92-31 Union Hall Street, Jamaica, NY 11433. File this certification no later than October 5, 2009 to be eligible for a January 1, 2010 effective date. (See 2010-11 MBR Certification Instructions for information regarding late certifications.) To expedite your MBR Application it is advisable to file this certification together with your Violation Certification by June 30, 2009.**

**Part A**

I am using the Alternative O & M Procedure (See page 4 of O & M Instructions).

**Comparison of Applicable 90% Operating & Maintenance Expense Allowance with Actual Expenses**

1. Enter Total Annualized Rent for all apartments in the subject building from the last page of the Rent Schedule (Exclude Rent Control Fuel Cost Adjustment(s) and include all other Surcharges). (1) \$ \_\_\_\_\_

**If you are using the Alternative O & M Procedure, skip lines (2) through (6).**

2. Enter Total 2008 MBR (See Instructions). (2) \$ \_\_\_\_\_

3. Compare collectibility factor by dividing Item (1) by Item (2). (If collectibility factor is greater than 1.00, enter 1.00). (3) \$ \_\_\_\_\_

4. Enter Total O & M Allowance from Schedule A on reverse side of form (Copy from (J) or (I)). (4) \$ \_\_\_\_\_

5. Compute applicable O & M Expense Allowance by multiplying Item (3) by Item (4). (5) \$ \_\_\_\_\_

6. Compute the applicable O & M Expense Allowance by multiplying Item (5) by 0.90. (6) \$ \_\_\_\_\_

6A. Alternative Procedure: Multiply Item (1) by 0.4217. (6A) \$ \_\_\_\_\_

7. Enter Actual Operation and Maintenance Expenses on an annual basis. (7) \$ \_\_\_\_\_

Period covered by the above expenses: From \_\_\_\_\_  
 Month Year Month Year

**Note: In order to certify correctly, the amount entered in Item (7) must be equal to or greater than the amount entered in Item (6) or (6A).**

**Part B - Certification**

I certify (1) that the information provided on this form and attached schedule is true and accurate, (2) that, as shown above, I have actually expended or incurred 90% of the allowance for operation and maintenance expenses applicable to the building covered by this Certification, (3) that I have been maintaining all essential services required to be maintained with respect to the housing accommodations in such building and will continue to maintain such services as long as 2010-11 Maximum Base Rent adjustments remain in effect and (4) I further agree to submit all necessary records and other data to substantiate the expenses indicated as incurred for audit review when requested.

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_ Signature of Owner/Managing Agent \_\_\_\_\_

## Schedule A

### Section -1

### Computation of O & M Expense Allowance Normal Payroll Building

#### Normal Payroll Buildings

\$1,863.44 (A)

#### -Option I

Multiply  by \$ 2.48 = \$ \_\_\_\_\_ (B)  
Total No. of Apts.

Divide  by  =  multiply = \$ \_\_\_\_\_ (C)  
Total No. of Rooms Total No. of Apts. Avg. Rooms per Apt. ; by \$514.49

1967 minus  =  multiply = \$ \_\_\_\_\_ (D)  
Yr. of Constr. (or 1900 if pre 1900) Building Age Factor ; by \$15.09

O & M Allowance per Apartment (A + B + C + D) = \$ \_\_\_\_\_ (E)

Total Number of Apartments in Building = \_\_\_\_\_ (F)

Total O & M Allowance (E times F) = \$ \_\_\_\_\_ (G)

Multiply (G) by 0.3232 (Fuel Adjustment Factor) = \$ \_\_\_\_\_ (H)

If Labor Cost Adjustment(s) was issued, enter Annual MBR Modification(s) for Labor. If none, enter -0-. (See Instructions.) = \$ \_\_\_\_\_ (I)

Total O & M Allowance plus Labor and Fuel Adjustments (G + H + I) = \$  (J)

#### Normal Payroll Buildings - Option II

\$1,863.44 (A)

Multiply  by \$2.48 = \$ \_\_\_\_\_ (B)  
Total No. of Apts.

Divide  by  =  multiply = \$ \_\_\_\_\_ (C)  
Total No. of Rooms Total No. of Apts. Avg. Rooms per Apt. ; by \$514.49

1967 minus  =  multiply = \$ \_\_\_\_\_ (D)  
Yr. of Constr. (or 1900 if pre 1900) Building Age Factor ; by \$15.09

O & M Allowance per Apartment (A + B + C + D) = \$ \_\_\_\_\_ (E)

Total Number of Apartments in Building = \_\_\_\_\_ (F)

Total O & M Allowance (E times F) = \$ \_\_\_\_\_ (G)

Total Dollar Amount of Fuel Price Change Between 4/79-12/08 (See Page 4). = \$ \_\_\_\_\_ (H)

If Labor Cost Adjustment(s) was issued, enter Annual MBR Modification(s) for labor. If none, enter -0- (See Instructions) = \$ \_\_\_\_\_ (I)

Total O & M Allowance plus Labor and Fuel Adjustments (G + H + I) = \$  (J)

## Schedule A

### Computation of O & M Expense Allowance High Payroll Buildings

#### Section -2

#### High Payroll Buildings -Option I

\$2,126.64 (A)

Multiply  by \$0.60 = \$\_\_\_\_\_ (B)  
Total No. of Apts.

Divide  by  = ; multiply by \$865.96 = \$\_\_\_\_\_ (C)  
Total No. of Rooms Total No. of Apts. Avg. Rooms per Apt.

1967 minus  = ; multiply by \$19.80 = \$\_\_\_\_\_ (D)  
Yr. of Constr. (or 1900 if pre 1900) Building Age Factor

Divide  by  = ; minus \$2,284.24 = \$\_\_\_\_\_ (E)  
Total Annual\* Payroll Total No. of Apts. Payroll per Apt.

O & M Allowance per Apartment (A + B + C + D + E) = \$\_\_\_\_\_ (F)

Total Number of Apartments in Building = \_\_\_\_\_ (G)

Total O & M Allowance (F times G) = \$\_\_\_\_\_ (H)

Multiply (H) by 1.3666 (Fuel Adjustment Factor) = \$  (I)

**\*Note:** You must use the Total Annual Payroll from your latest computed Maximum Base Rent Order adjusted as described in the Instructions.

#### High Payroll Buildings -Option II

\$2,126.64 (A)

Multiply  by \$0.60 = \$\_\_\_\_\_ (B)  
Total No. of Apts.

Divide  by  = ; multiply by \$865.96 = \$\_\_\_\_\_ (C)  
Total No. of Rooms Total No. of Apts. Avg. Rooms per Apt.

1967 minus  = ; multiply by \$19.80 = \$\_\_\_\_\_ (D)  
Yr. of Constr. (or 1900 if pre 1900) Building Age Factor

Divide  by  = ; minus \$2,284.24 = \$\_\_\_\_\_ (E)  
Total No. of Apts. Payroll per Apt.

O & M Allowance per Apartment (A + B+ C+ D+ E) = \$\_\_\_\_\_ (F)

Total Number of Apartments in Building = \_\_\_\_\_ (G)

Total O & M Allowance (F times G) = \$\_\_\_\_\_ (H)

Total Dollar Amount of Fuel Price Change Between 4/79-12/08 (See Page 4). = \$\_\_\_\_\_ (I)

Total O & M Allowance plus Labor and Fuel Adjustments (H + I) = \$  (J)

**\*Note:** You must use the Total Annual Payroll from your latest computed Maximum Base Rent Order adjusted as described in the Instructions.

**2010-11 Maximum Base Rent**

**Computation of Heating Fuel Price Change 4/79 - 12/08  
(Option II Only)**

<u>Line No.</u>	<u>Type of Heating Fuel</u>	<u>Annual Delivery</u>	<u>Price Change</u>	<u>Total Cost</u>
1.	<input type="checkbox"/> #2 Oil (Gal.)	_____ (Gal.)	X \$2.03	= \$ _____
2.	<input type="checkbox"/> #4 Oil	_____ (Gal.)	X \$0.93	= \$ _____
3.	<input type="checkbox"/> #6 Oil	_____ (Gal.)	X \$0.82	= \$ _____
4.	<input type="checkbox"/> Coal (Tons)	_____ (Tons)	X \$212.56	= \$ _____
5.	<input type="checkbox"/> Electric (KWH)	_____ (KWH)	X \$0.08	= \$ _____
6.	<input type="checkbox"/> Steam (MLB)	_____ (MLB)	X \$24.84	= \$ _____
<b>Gas (CCF)</b>				
	<input type="checkbox"/> <b>National Grid New York</b>			
7.	<input type="checkbox"/> Non-interruptible	_____ (CCF)	X \$1.06	= \$ _____
8.	<input type="checkbox"/> Interruptible	_____ (CCF)	X \$1.09	= \$ _____
	<input type="checkbox"/> <b>Con Edison</b>			
9.	<input type="checkbox"/> Non-interruptible	_____ (CCF)	X \$2.38	= \$ _____
10.	<input type="checkbox"/> Interruptible	_____ (CCF)	X \$1.27	= \$ _____
	<input type="checkbox"/> <b>National Grid</b>			
11.	<input type="checkbox"/> Non-interruptible	_____ (CCF)	X \$1.11	= \$ _____
12.	<b>Add Lines 1 through 11 and enter total amount</b> on line H (Option II) of page 2 (for Normal Payroll buildings) or line I (Option II) of page 3 (for High Payroll buildings):			<b>Total</b> = \$ <input style="width: 100px; height: 20px;" type="text"/>



