

FACT SHEET



Andrew M. Cuomo, Governor

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DIVISION OF HOUSING AND COMMUNITY RENEWAL
OFFICE OF RENT ADMINISTRATION

11 DEMOLITION

One of the grounds upon which an owner may end a rent regulated tenancy (rent controlled or rent stabilized) is where the owner intends to demolish the building. **However, in such situations, the owner must first obtain the approval of the Division of Housing and Community Renewal (DHCR).**

The owner is required to file Form RA-54, "Owner's Application for Order Granting Approval to Refuse Renewal of Lease and/or to Proceed for Eviction" with DHCR.

In New York City, if the building contains rent controlled tenants, **before** filing Form RA-54, the owner must also file with DHCR and serve the rent controlled tenants with Form RC-50 "Report and Certification To Alter or Demolish Occupied Housing Accomodations." Please note that the RC-50 form is not required where there are no rent controlled tenants in the building. However, when it is required, the RC-50 form needs to be filed prior to the submission of plans to the New York City Department of Buildings.

If the building contains rent stabilized tenants, owners are required to send a letter to DHCR advising of the intention to file construction documents/apply for such permit with the NYC Department of Buildings. This letter should include the address of the property to be demolished or altered, a list of apartments that are affected by the work, and a description in some detail of the scope of the project. Upon receipt of the letter, DHCR's Enforcement Unit will assign it a report docket number ending in the suffix HD.

Owners are advised to carefully review NYC Department of Buildings Form **PW1: Plan/Work Application**, specifically Section 26 (Property Owner's Statements and Signatures), where the owner is asked to answer questions about whether apartment units will remain occupied during construction, whether the units are subject to rent control and rent stabilization, and whether DHCR has been notified about the proposed work.

Owner's Filing Requirements

An RA-54 application will be rejected and not docketed or accepted for filing, unless it contains the following documents:

1. Plans that have been reviewed and approved by the New York City Department of Buildings or other appropriate government agency outside of New York City.
2. Evidence of financial ability to complete the project, such as a Letter of Intent or a Commitment Letter from a financial institution, or other evidence that DHCR determines to be appropriate.

DHCR Application Processing

Once the RA-54 application is accepted for filing, DHCR will:

- serve each tenant with a copy of the application
- review all tenant responses
- conduct a hearing, if appropriate
- issue a written order granting or denying the application

During the processing of the case:

- Owners do not have to offer renewal leases, but tenants may remain in occupancy with no increase in rent.
- Owners are required to serve tenants with termination notices, which among other things state "that the tenant shall not be required to vacate until DHCR has issued a final Order approving the RA-54 application."

Tenant Protections

- If the owner's RA-54 application is granted, the DHCR Order will contain terms relating to relocation stipends, moving expenses, and will give the tenant a reasonable amount of time to vacate the apartment.
- If the owner's application is denied or withdrawn, the DHCR Order will direct the owner to offer the tenants prospective lease renewals.
- Orders can be appealed within 35 days. The filing of the appeal (PAR) stays (freezes) the order.
- Warrants of eviction must be obtained from a court of competent jurisdiction.

This Fact Sheet is a summary of this topic. For a detailed discussion, please refer to: Operational Bulletin 2009-1, "Procedures Pursuant to the Rent Stabilization Code for the Filing of an Owner's Application to Refuse to Renew Leases on the Grounds of Demolition."

Sources:

Tenant Protection Regulations, Sections 2504.4(f), 2507.11

New York City Rent Stabilization Code, Sections 2524.5(a)(2), 2527.11

New York City Rent and Eviction Regulations, Sections 2203.10, 2204.8(c), 2209.8