



Instructions For RA-79
"Owner's Application For A Rent Increase Based On Major Capital Improvements (MCI)"

Please read instructions carefully. Complete Supplements 1 and 2 before the Application. Complete Supplement 3 if there is professional and/or commercial space in the building (do not include such space that is located in apartment units). Print your entries legibly or type. File one (1) original and one (1) copy of the application at the above address.

Who May Apply For A MCI Rent Increase?

You may apply to increase the rent in a building you own if you have completely installed, paid for and applied for or secured all required approvals and/or Certificates of Operation for building-wide improvements such as windows, roofs, plumbing, electrical, burner/boiler, etc. No increase will be issued until final approvals are received (See Attachment A). In the event that payment is not complete at the time of filing due to a loan or installment agreement, include the relevant documents as indicated in Appendix A Instructions page 3.

If a Cooperative/Condominium Corporation is eligible to file for an MCI increase, the application must be filed by the managing agent of the corporation on behalf of the corporation and all proprietary lessees (shareholders) including the sponsor, or it must be filed by a proprietary lessee on behalf of and with the written consent of all proprietary lessees. Applications will not be accepted from individual owners on their own behalf.

You must file the application no later than two years after the MCI completion, unless the application could not be filed because you were not able to obtain required governmental approvals and you can show that the delay was beyond your control. If you have obtained a J-51 Certificate, enclose a copy with your MCI application.

The Application (RA-79) - Page One

(Instructions for self-evident form entries have been omitted)

Request For Increase

- Line 1: Enter the amount of the increase, per room per month, as computed on line 7, page 2 of the Application (RA-79).
Line 2: If the improvement(s) were made with a loan, grant, subsidy or tax abatement from a government agency, enter the name of the agency and include a copy of the agreement along with any provisions for rent increase limitations, application for tax abatement, orders restructuring rents or Tax Abatement Certificate.

Affirmation of Owner

- Line 1: Submit one (1) original and one (1) copy of the application, all supplements, and required supporting documentation, including, but not limited to, copies of contracts, approvals, proof of payment(s), and statement(s) of contractor(s), if any. **If you check box 1a.**, DHCR will stamp and return one complete set of your submission. Upon receipt, the returned package must be made available for tenant review in the Office of the Superintendent or resident manager in the **subject building or conveniently close**. In the space provided write the address where tenants will have access. **If you check box 1b.**, DHCR will retain the duplicate for review by tenants arranging for an appointment at DHCR.
Line 2: If you check box 2, you must obtain consent from all owners of the rent regulated units to file on their behalf. Failure to do so may result in your application being denied or revoked.
Line 3: Enter application submission date and sign. If you are a corporate officer, give the corporation name, your name and title.

The Application (RA-79) - Page Two

- Line 1: In the first three columns, list the item(s) for which a rent increase is requested, the age and the reason for replacement. In column 5, enter the actual cost of the item(s) net of any rebates, returns, or discounts. Do not include finance charges or Sales Taxes. Add the costs and enter total on line 1.
Line 2: a. If the subject building contains any commercial and/or professional space, complete Supplement 3 now. Allocation of MCI costs to commercial tenants must be done on the basis of area. Enter the sum from line 6 of each supplement 3 on line 2A.
b. If the MCI was paid with funds from a Reserve Fund of a Cooperative corporation, or if the sponsor used a credit against the Reserve Fund prior to the effective date of the conversion, and the Reserve Fund was not reimbursed, enter the amount.
c. If an item was replaced because of special circumstances, and the owner/applicant was reimbursed by insurance, enter the amount of the insurance proceeds. Attach a copy of the insurance claim and the settlement statement.
d. If government agencies provided funds to pay for the item without repayment requirements, enter the amount of the grant and attach a copy of the grant certificate.
Line 3: Add the amount in lines 2a - d and enter the total.
Line 4: Subtract line 3 from line 1 and enter the Net Claimed MCI cost.
Line 5: Divide the amount in line 4 by 84 and enter the result.
Line 6: Enter the total number of rooms in all apartments including apartments used for professional or commercial purposes.

Line 7: Divide line 5 by line 6 to compute the Requested Rent Increase per room per month. The monthly increase for an apartment is the Requested Increase (line 7) multiplied by the number of rooms in the apartment.

A room is defined in Policy Statement 93-2 as:

- (1) A windowless kitchen containing at least 59 square feet, or a kitchen of any size with window.
- (2) An enclosed area with window containing at least 60 square feet.
- (3) An enclosed area without window containing at least 80 square feet.
- (4) Do not include bathroom, walk-in closet, porches, terraces and hallways.

Supplement 1: Owner and Contractor/Vendor Affirmation

File a separate Affirmation for each item and file a separate Affirmation for each contractor/vendor for work on a single item.

Section A: Owner Information

- Line 1: Enter number of similar items in the subject building and the number installed. If these numbers are not the same, explain.
- Line 2: If the replaced item did not exhaust its useful life, please review Operational Bulletin 90-2 and explain.
- Line 3: Enter the contracted cost and the amount paid to the contractor/vendor. In case of a discrepancy between contracted costs and payments and/or between claimed and contracted costs, explain discrepancy and submit any available documentation to support discrepancies. The claimed MCI cost(s) must be substantiated as described under **Appendix A**.
- Line 4: Check Attachment A for buildings located in the City of New York for the schedule of approvals and/or certificates for operation required. Outside New York City check with your local municipality. If approvals were not applied for, explain.
- Line 5: Enter "X" in the appropriate box and refer to page 5 of the application for additional information requested on specific MCIs.
- Line 6: Briefly describe any relationship, financial or otherwise, between the owner(s) and the contractor/vendor.

Section B: Contractor/Vendor Information

Enter name, address, identification or license number of installing contractor/vendor/individual. Have the Affirmation signed. If the contractor/vendor does not sign, you must sign and submit a notarized affidavit which includes: the information listed above; the reason why the signature was not obtained; a detailed description and evidence of the efforts made to obtain the contractor/vendor signature by submitting copies of returned pieces of certified and/or registered mail.

Required Additional Information for Specific MCIs: (page 5 of Application)

For pointing and waterproofing, you must submit a contractor's statement and a diagram indicating where the work was performed.

For elevator upgrading, describe any new related technology substituting for the use of controller and selector. For any upgrading using new technology, other than controllers and selectors, you should request a prior opinion from DHCR as to its eligibility for an MCI.

Supplement 2: Schedule of Tenants

A computer form containing all required information may replace Supplement 2 if it is in a similar format.

Col. 1-3 Identify all residential/professional apartments and all commercial/professional space, including garages and other income producing sources, i.e. laundry, etc. Enter the number of rooms, and the number of windows, if the MCI relates to window installation.

Col. 4 Enter the name of the tenant for each space in the appropriate column. Identify rent controlled and rent stabilized apartments by placing "RC" or "RS" next to the tenant's name. Also identify other types of units.

If the apartment is: - **vacant**, enter "vacancy" in column 4.
- **occupied by a rent-free employee**, enter "employee" in column 4.

If a commercial space is vacant, enter "vacancy" in column 4.

Total the rooms and if applicable the windows in each column. Carry the result forward to a continuation sheet and number all sheets. On the last sheet provide the cumulative total.

Supplement 3: Cost Allocation For Commercial/Professional Rental Space

You may be required to substantiate the entries below with architectural plans/blueprints of the building. Use this form to compute how much of the claimed MCI cost should be allocated to the commercial/professional tenants who benefit from the MCI(s). If there are no commercial/professional tenants in the subject premises do not use this form. When utilizing this form **do not include apartments used for professional or commercial purposes** but ensure that you have included them in Supplement 2 and have accurately reflected the number of rooms each professional or commercial apartment contains as allocation of the MCI to the professional/ commercial apartments will be performed on a per room basis.

Line 1: List from the RA-79 the items benefitting Commercial tenants. Opposite each item enter cost from column 5 side 2 of RA-79.

Line 2: Enter the total cost of MCI items.

Line 3: Enter the total floor area (square feet) contained in the building (do not include basement area unless all or part is used for commercial purposes. If applicable, include in the total area only the square feet of basement areas used for commercial purposes. Include room count of Superintendents apartment on Supplement 2).

Line 4: Enter the floor area (square feet) of the commercial space benefitting from MCI's. Include the square feet of any area of the basement used for commercial purposes.

Line 5: Divide line 4 by line 3 to obtain the ratio of commercial space to the entire building.

Line 6: Multiply the percentage obtained on line 5 by the total cost of the MCIs on line 2 and enter on line 2a of form RA-79.

Appendix A

Contracts - To substantiate the claimed costs in your application, submit copies of contracts and bills/invoices for each installation. Include any amendments modifying specifications, provisions and costs of the original contract. Include a contractor's cost breakdown schedule describing in detail the work and cost for each address if contract and payments apply to other buildings not included in this application.

Proof of Payment. - Your application for a rent increase based on an MCI will be approved (assuming that all other requirements are met) only to the extent that you prove that the amount claimed for each item was actually paid.

- 1: If payment was by personal, corporate or bank check or by money order, submit legible copies of the front and back of the cancelled documents.
- 2: If payment was in cash, owner must submit documentation (e.g. contractor's affidavit, signed receipts, etc.) to establish the actual costs incurred. Documentation to establish the source of funds (bank statement, etc.) may also be required.
- 3: If the cost was financed with a loan, attach a copy of the loan agreement and submit copies of all payments to date.

Cooperatives/Condominiums - If building is under cooperative/condominium ownership at the time of filing, please advise date when the cooperative/condominium plan became effective; involvement of cooperative/condominium corporation in financing the improvements through special assessments or use of Reserve Fund; sponsor financing by use of credit against the Reserve Fund.

Architectural Plans/Blueprints - You may be required to substantiate the entries made in supplement 3 to confirm square footage designated.

**New York City Approvals of Certificates for Operation
Required for Major Capital Improvements Listed Below**
(Outside New York City see your local county and/or municipality for required approvals.)

Type of Improvement	New York City Agency	Application for Approval (Optional. See note.)	Approvals and/or Certificates for Operation (Required for MCI Rent Increases)
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Boiler/Burners

All #6 Oil burners	Bureau of Air Resources	APC 5-0	APC 136-B
All #4 Oil burners emitting more than 1,000,000 BTUs.	Bureau of Air Resources	APC 5-0	APC 136-B
All #2 Oil burners emitting more than 2,800,000 BTUs.	Bureau of Air Resources	APC 5-0	APC 136-B
All Gas burners emitting more than 2,800,000 BTUs. Gas burning Installations	Bureau of Air Resources Department of Buildings	APC 5-0	APC 136-B Letter of Completion or computer printout of sign off
Oil Burning Installations Electrical Controls for Burners	Department of Buildings Bureau of Electrical Control	BEC 16A	B Form 16A or Letter of Completion Certificate of Electrical Inspection ED 60

Note: 1. Any boiler/burner installation must have approval from Bureau of Electrical Control and Department of Buildings. Approvals from the Bureau of Air Resources, depend on the emission of BTUs listed above..

**Central Air Conditioning,
Individual Air Conditioning units in
Sleeves, Air Conditioning Circuits
and Outlets**

Plumbing	Department of Buildings		Letter of Completion or computer printout of sign off
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Rewiring	Bureau of Electrical Control	BEC 16A with Attachments	Certificate of Electrical Inspection ED 60
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Elevator Upgrading	Department of Buildings	ELV-1	Elevator ELV-12
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Compactor If electrical wiring is required, see **Rewiring** above. Also, owner must supply proof of new or existing operable fire protection sprinkler system(s) installation in compactor, compactor room and refuse chute. Owner must also supply proof of operable hose bibb and floor drain in compactor room. Acceptable proof is certified statement by a licensed NYS registered Architect and/or Professional Engineer attesting that the installed system(s) comply with the rules and regulations of the NYC and/or NYS Codes as applicable and that the systems (fire prevention and compactor) are in operable condition.

Asbestos Removal If the contractor is required to obtain an Alteration Permit or a Demolition Permit to install the MCI, the owner must supply either a "Not an Asbestos Project" form or an "Asbestos Inspection Report" signed by a licensed Asbestos Investigator.

The above list is not inclusive of all Major Capital Improvements. The owner is responsible for compliance with all local laws, ordinances, and codes and should submit all required approvals with the application