The University recently delivered a letter dated 4/10/09 to all full-time faculty and staff living in NYU rental housing (see attached). The letter announced a new hardship policy for eligible affiliates living in NYU housing and recapitulated the University's rent renewal policy. Since then, we have received a number of questions about lease renewals. We have compiled the following list of answers in order to address common questions that have emerged since the letter went out, thereby clarifying issues about which there might be uncertainty or misunderstanding. If you have any additional questions, please do not hesitate to contact the Faculty Housing Office at 212.998.2209 or facultyhousing.office@nyu.edu.

**List of FAQs:**

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3. Is my rent increasing right now? What if my lease doesn’t expire until next year?
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FAQs:

1. **Why is the University raising rents?**
   Two years ago, the University adopted a policy that established a decade-long goal: continuing to provide significantly discounted rental rates while making NYU rental housing self-sufficient. By “self-sufficient,” we mean that the finances of the housing system should be in balance: the University should neither make money from the housing system nor lose money on it. Over the past few years, however, there have been marked increases in housing operating costs – utilities are a good example – that were not reflected in rental rates, and this has created a large deficit (that is, the money we collect in the form of rent is less than the costs of operating the housing system). The recent rent increases are a part of the above-mentioned decade-long goal and are meant to move the system towards that balance.

2. **My lease expires this year. What is my renewal rent?**
   2009 renewal leases will be sent in the first week of May. Your renewal rent will be listed on your renewal lease. Thank you for your patience.

3. **Is my rent increasing right now? What if my lease doesn’t expire until next year?**
   The University will not change your rent until the lease expires. If your lease is up for renewal this year, then the applicable rent increase will go into effect this year. If your lease expires two years from now, the rent increase will go into effect at that time and not before.

4. **Will my rent increase every year?**
   No. Most tenants receive three-year leases and rent increases are fixed for the lease term.

5. **What is the range of increases?**
   Rent increases are applied in full at lease renewal, and rents only change at lease renewal. The range of increases for lease renewals this year averages 14%, with a maximum three-year increase of 16%.

6. **Is the University increasing rents to 35% of my income?**
   No. We do not consider an individual’s household income when setting rents except when a hardship request is made. As stated above, the range of increases for lease renewals this year averages 14%, with a maximum three-year increase of 16%. Rents are not increasing above this range this year.

7. **How does the University calculate renewal rents?**
   Each apartment’s rental rate is based on a variety of features including, but not limited to, the number of rooms, the size of the rooms, and location of the apartment. We are continuing to bring fairness to the rents so apartments of similar size with similar features in our housing stock will have similar rents.
apartments with the same number of rooms may have different rental rates, however, given differences in location, size and features). Rental rates for each apartment are reviewed at the end of the lease term and adjusted in consideration of operating costs and related factors. It is important to know, however, that those adjustments are contained within the renewal rates—14 percent on average, maximum of 16 percent—and not in addition to them.

8. Are rents being adjusted to Manhattan market rents?
No. Unlike regular landlords, the University does not seek to make a profit. The University’s budget approach to our rental housing is that it be revenue neutral—that it neither produces excess money for the University nor cost the University money. Any rent increases the University approves are meant to achieve and maintain that balance over the course of years. As noted above, the University also has the goal of continuing to provide significantly discounted and affordable rents in a very expensive housing market.

9. What is the hardship policy? Am I eligible?
To help our affiliates who have been unduly burdened by the recent economic downturn, the University has unveiled a new hardship rental policy. To ensure parity, this policy will be available for leases renewing in 2009, 2010 and 2011. Under this policy, renewal rental rates will be adjusted so that they do not exceed 35% of a household’s gross income.1 We will not lower the rent you currently pay, but if your renewal rent is above this 35% threshold, then we will adjust your rental increase accordingly. Please note that only full time faculty and staff are eligible for the 35% limit.2 Tenants whose apartments have more bedrooms than warranted by their family size are not eligible for the limit. Finally, all tenants, whether above or below the 35% limit, may be able to relocate to a less expensive and/or smaller apartment if the renewal rent is beyond their means.

a. How do I apply for the hardship policy?
Those who believe that they may be eligible for this rent ceiling should contact the Faculty Housing Office; they will be asked to provide satisfactory documentation of income for all family members over 18 years of age living in the apartment (i.e., tax returns and pay stubs). All applications for the 35% limit must be received before the start of the renewal lease.

b. How will the University measure my household’s “gross” income?
“Gross” household income is your family’s income before any deductions, such as federal or local taxes, retirement contributions or health care premiums. Gross income is derived from the tax returns and pay stubs of all family members over 18 living in the apartment. Accordingly, we will

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1 35% of gross income is a standard ratio used by both underwriters and financial experts to determine what percentage of a household’s gross income should be spent on housing.

2 Retirees, post doctorate students, graduate students, visiting faculty and rent regulated tenants are not eligible for the 35% limit. Faculty and staff tenants whose rent may already exceed the rent ceiling will receive a zero percent increase.
utilize your pay stubs to calculate your total gross income before any deductions as well as your tax return to calculate all other income (i.e. investment income and consulting income).

c. **My rent is already above 35% of my gross income. Will the University lower my rent?**
   No. If your rent is confirmed to already exceed the 35% income limit then you may qualify for a zero percent increase at lease renewal. Please wait until you receive your renewal lease before contacting the Faculty Housing Office with your request for consideration under the hardship policy.

d. **I plan to go on sabbatical and my salary will decrease. Will I be eligible for the hardship policy?**
   No. Temporary declines in income due to leaves and sabbaticals do not meet the eligibility requirements.

e. **My spouse/partner recently lost his/her job. How may I apply for the hardship policy?**
   As noted above, the hardship policy is only available when your lease renews. If your spouse/partner lost his/her job and your rent is confirmed to exceed 35% of your revised income, then you may qualify for a zero percent rent increase at your next lease renewal.
To: All Affiliated Tenants in NYU Rental Housing  
From: Anastasia Crosswhite  
Associate Vice President, Faculty Housing and Residential Services  

Dear University Affiliated Tenants,

Rental housing is a critical resource that has supported NYU’s development into a national research university. Two years ago, the University adopted a policy of setting rental rates to meet the twin objectives of providing the best possible value to NYU affiliates while minimizing the University’s financial loss in the housing portfolio. Over the previous decade, there had been marked increases in housing operating costs that were not reflected in rental rates, creating a large deficit. The new policy thus established a decade-long goal of making NYU rental housing self-sufficient while continuing to provide significantly discounted rental rates.

To achieve these goals, rental increases for three year lease renewals currently average 14%, with a maximum three-year increase of 16%. As we have done in the past, we compared rents among similar apartments to determine parity. Accordingly, renewal rents may include an adjustment factor to bring all rents closer in line with comparable units. Each apartment’s rental rate is based on a variety of features including, but not limited to, the number of rooms, the size of the rooms, and location of the apartment.

To help our affiliates who have been unduly burdened by the recent economic downturn, the University is unveiling a new hardship rental policy. To ensure parity, this policy will continue through the June 2011 lease renewal cycle. Under this policy, rental rates will be adjusted so that they do not exceed 35% of a household’s gross income. Those who believe that they may be eligible for this rent ceiling should contact the Faculty Housing Office; they will be asked to provide satisfactory documentation of income for all family members over 18 years of age living in the apartment (i.e., tax returns). All applications for the 35% limit must be received before the start of the renewal lease on July 1, 2009. Please note that only full time faculty and staff are eligible for the 35% limit. Tenants whose apartments have more bedrooms than warranted by their family size are not eligible for the limit. Finally, all tenants, whether above or below the 35% limit, may be able to relocate to a less expensive and/or smaller apartment if the renewal rent is beyond their means.

If you have any questions or concerns about the new hardship policy or lease renewals in general, please contact the Faculty Housing Office at (212) 998-2209 or facultyhousing.office@nyu.edu.

3 35% of gross income is a standard ratio used by both underwriters and financial experts to determine what percentage of a household’s gross income should be spent on housing.
4 Retirees, post doctorate students, graduate students, visiting faculty and rent regulated tenants are not eligible for the 35% limit. Faculty and staff tenants whose rent may already exceed the rent ceiling will receive a zero percent increase.