MEMORANDUM

TO: All Affiliated Tenants in NYU Rental Housing

FROM: Alison Leary, Executive Vice President
       Operations

SUBJECT: 2014 Lease Renewal Cycle, Hardship Policy

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 9.5%, with a maximum three-year increase of 11.9%. 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 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 1st. 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 hardship policy or lease renewals in general, please contact the Faculty Housing Office at (212) 998-2209 or facultyhousing.office@nyu.edu.

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.