



New York State  
 Division of Housing and Community Renewal  
**Office of Rent Administration**

*New York City Rent Stabilization Code*

*Operational Bulletin 90-2 (September 26, 1990)*

***Useful Life Schedule For  
 Major Capital Improvements***

This Operational Bulletin is issued pursuant to Sections 2522.4(a)(1)(2)(i)(d) and (11) of the Rent Stabilization Code, which require the DHCR to issue and to utilize, in determining an owner's eligibility for major capital improvement (MCI) rental increases, a useful life schedule which is in accordance with manufacturing industry standards. DHCR shall also set forth conditions under which the useful life requirement may be waived. This schedule and the conditions for waiver shall be effective immediately.

Factors that were considered in establishing the following useful life schedule include:

- 1) wear and tear and decay or decline from natural causes;
- 2) normal progress of the arts, economic changes, inventions and current developments; and
- 3) climatic and other local conditions.

***Major Capital Improvements Useful Life Schedule***

Replacement Item or Equipment	Years - Estimated Life
1) Boilers and Burners	
(a) Cast Iron Boiler . . . . .	35
(b) Package Boiler . . . . .	25
(c) Steel Boiler . . . . .	25
(d) Burners . . . . .	20
2) Windows	
(a) Aluminum . . . . .	20
(b) Wood . . . . .	25
(c) Steel . . . . .	25
(d) Storm . . . . .	20
(e) Vinyl . . . . .	15

*This document is being reissued for informational purposes only.  
 The original document which contains signatures of authorization is  
 on file at DHCR's Office of Rent Administration.*

3)	Roof	
	(a) 2 Ply (asphalt)	10
	(b) 3-4 Ply (asphalt)	15
	(c) 5 Ply (asphalt)	20
	(d) Shingle	20
	(e) Single ply rubber (EPDM)	20
	(molecular breakdown) Ethlyne Propaline Diene Terpolimer	
	(f) Single ply Modified Bitumen	10
	(g) Quarry Tile	20
4)	Pointing	15
5)	Rewiring	25
6)	Intercom System	15
7)	Mailboxes	25
8)	Plumbing Repiping	
	(a) Galvanized Steel	25
	(b) TP Copper	30
	(c) Brass cold water	15
	(d) Fixtures	25
9)	Elevator	
	(a) Major Upgrade	25
	(b) Controllers and Selector	25
10)	Doors	
	(a) Apartment Entrance	25
	(b) Lobby/Vestibule	15
11)	Bathroom Upgrading	
	(a) Toilets and Valves	20
	(b) Bathroom and Sinks	20
	(c) Vanity	20
11a)	Kitchen Upgrading	
	(a) Metal Wood Cabinets	20
	(b) Ranges	20
	(c) Refrigerators	15
	(d) Sinks	20

12)	Water Tanks	
	(a) Metal . . . . .	25
	(b) Wood . . . . .	20
13)	Waste Compactors . . . . .	10
14)	Air Conditioner	
	(a) Individual Units/Sleeves . . . . .	10
	(b) Central System . . . . .	15
	(c) Branch Circuitry Fixtures . . . . .	15
15)	Aluminum Siding . . . . .	25
	Vinyl Siding . . . . .	15
16)	Catwalk . . . . .	25
17)	Chimney	
	(a) Steel . . . . .	25
	(b) Brick . . . . .	25
18)	Courtyard/Walkways	
	Cement . . . . .	25
19)	Fire Escapes . . . . .	25
20)	Fuel Oil Tank	
	(a) In Vaults. . . . .	25
	(b) Underground . . . . .	20
21)	Water Heating Units	
	(a) Hot Water/Central Heating . . . . .	20
	(b) Hot Water Heater (Domestic) . . . . .	10
22)	Parapet	
	Brick . . . . .	25
23)	Resurface Exterior Walls . . . . .	25
24)	Solar Heating System . . . . .	25
25)	Structural Steel . . . . .	25
26)	Television Security . . . . .	10

For major capital improvements not listed above, the owner must submit with the MCI application evidence that the useful life of the item or equipment being replaced has expired.

The foregoing useful life schedule establishes the period during which an item is expected to be of service to the building or building complex, in accordance with manufacturing industry standards. However, compelling reasons may exist to grant an owner's request for a waiver of the useful life requirements stated above. Following are the conditions which an owner must satisfy in order to be granted a waiver of the useful life requirements:

*Waiver of Useful Life Requirement  
Authorization to Proceed*

Where an owner wishes to request a waiver of the useful life requirement, the owner shall apply to the DHCR for such waiver prior to the commencement of the work for which he or she will be seeking a major capital improvement (MCI) rental increase. DHCR will approve or deny the waiver as promptly as possible. Notwithstanding this requirement, where the waiver requested is for an item being replaced because of an emergency, which causes the building or any part thereof to be dangerous to human life and safety or detrimental to health, an owner may apply to the DHCR for such waiver at the time he or she submits the MCI application.

If the waiver is denied the owner will not be eligible for an MCI increase. If the waiver is granted the useful life requirement will not be a factor in the determination of eligibility for the MCI increase. However, approval of the waiver in no way assures that the MCI increase will be granted. The MCI application will be subject to the same scrutiny in processing on every other condition for eligibility and the increase may be denied if the owner is found ineligible on any other grounds.

*Conditions for Waiver*

An owner may apply for, and the DHCR may grant, a waiver of the useful life requirements as stated in the Useful Life Schedule, if the owner satisfactorily demonstrates that one or more of the following circumstances existed:

- 1) The item or equipment cannot be repaired and must be replaced during its useful life because of a fire, vandalism or other emergency, or "act of God" resulting in an emergency; or
- 2) The item or equipment needs to be replaced since such item or equipment is beyond repair, or that spare parts are no longer available, or that the required repairs would cost more than 75% of the cost of the total replacement of the item or equipment. Certification by a duly licensed engineer or architect, who has no relationship, financial or otherwise, with the owner, shall be considered substantial proof of such condition(s). The owner may also be required to submit proof that the item or equipment was properly maintained. Such proof could include receipts for repairs and parts or maintenance logs.
- 3)
  - (a) An appropriate New York State or local governmental agency has determined that the item or equipment needs to be replaced as part of a government housing program;
  - (b) For the owner to qualify for a New York State or local government long-term loan or insured loan, the governmental lender or insurer requires the remaining useful life of the building or building complex, as well as the component parts of such building or building complex, to be as great as or greater than the term of the loan agreement.
- 4) The replacement of an item or equipment which has proven inadequate, through no fault of the owner, provided that there had been no major capital improvement rent increase for that item or equipment being replaced.

### *Determination of Increase*

In the event that DHCR determines that an installation qualifies for a waiver of the useful life requirements, the agency may:

- 1) where no previous increase was granted within the useful life of the item or equipment being replaced and the cost of repair would equal or exceed the cost of replacement DHCR would approve 100% of the substantiated cost of the item or equipment, including installation;
- 2) where no previous increase was granted within the useful life of the item or equipment being replaced and the cost of repair is more than 75% of the cost of replacement DHCR would grant a prorated increase based upon the remaining useful life;
- 3) where it is determined that an item is eligible to be replaced during its useful life, the increase granted shall be the difference between the substantiated cost of the item or equipment, including installation, and (a) the amount reimbursed from other sources, such as insurance proceeds, or any other form of commercial guarantee, etc., and (b) the amount of any increase previously granted for the same item or equipment either as a major capital improvement, or pursuant to other governmental programs, if such item or equipment has not exhausted at least 75% of its useful life at the time of the installation.
- 4) where it is determined that an item is eligible to be replaced even though it has not exhausted 75% of its useful life and it was installed as part of a substantial rehabilitation or the new construction of a building for which the owner set initial building-wide rents, DHCR may reduce the increase granted as a MCI by a proportion of the remaining useful life of such item or equipment.

Notwithstanding the above, where an owner has substantially commenced work on the major capital improvement installation before the effective date of this Operational Bulletin, based on prior DHCR decisions and policies, and where adherence to these requirements or to the conditions of the waiver would create an undue hardship, the owner's application will be determined in accordance with those prior decisions and policies.

***Elliot G. Sander***  
*Deputy Commissioner*  
*for Rent Administration*