



Legislation Text

File #: Res 0875-2003, **Version:** *

Res. No. 875

Resolution calling upon the New York City Rent Guidelines Board not to approve any rent increase for rent-stabilized apartments until further study demonstrates that landlords' expenses are outpacing their profits.

By Council Members Monserrate, Foster, Quinn, Sanders, Vann, Barron, Brewer, Clarke, Gennaro, Gerson, Jackson, Katz, Lopez, Nelson, Recchia, Reed, Rivera, Seabrook, Sears, Yassky, Moskowitz, Perkins, Espada, Weprin, Gioia and Reyna; also Council Member Gentile

Whereas, The Rent Guidelines Board voted on May 5, 2003 to give preliminary approval to rent increases for rent-stabilized apartments of 5.5 percent for one-year leases and 8.5 percent for two-year leases; and

Whereas, The Rent Guidelines Board has not granted such high increases since 1989; and

Whereas, New York City's housing stock is predominantly renter-occupied; and

Whereas, According to the 2002 Housing and Vacancy Survey, there are 2,084,769 occupied and vacant available rental units in New York City, and of those units, 1,065,138, or approximately 51 percent, are rent-stabilized; and

Whereas, New York City continues to face a housing crisis, with the 2002 Housing and Vacancy Survey (HVS) reporting a vacancy rate of only 2.94 percent city-wide and only 2.54 percent in rent-stabilized apartments; and

Whereas, the 2002 Housing and Vacancy Survey reveals that the median household income in rent-stabilized units is \$32,000 per year, which is more than \$7,000 less than the median household income in unregulated, market-rate rental apartments, and \$28,000 dollars less than median household income in occupant-owned units; and

Whereas, the 2002 HVS further reports that 25.5 percent of households in New York pay more than 50 percent of their household income for rent and utilities; and

Whereas, New Yorkers are facing rising expenses, such as a subway fare increase, and proposed increases tuition and fees at the City University of New York; and

Whereas, The Rent Guidelines Board, in its 2003 Income and Affordability Study, acknowledges that New York City remains in a recession, with a 2.3 percent decline in the City's Gross City Product for 2002, and an increased unemployment rate of 7.9 percent, up from 6.1 percent in 2001; and

Whereas, The Rent Guidelines Board, in its 2003 Income and Expense Study, reports that for every year from 1989 until 2001, the most recent year with available data, landlords' net operating income in rent-stabilized buildings, or earnings that remain after operating and maintenance costs are paid, increased, with an increase of 5.9 percent from 2000 to 2001; and

Whereas, Landlords have received rent increases every year since the Rent Guidelines Board was established, including 2001, when expenses, as measured by the Price Index of Operating Costs, decreased; and

Whereas, The Price Index of Operating Costs does not reflect actual expenses incurred by landlords and consequently does not measure whether landlords are making a profit and the size of any profit, and as a result does not provide adequate justification for a rent increase; and

Whereas, The Rent Guidelines Board is scheduled to take its final vote on June 19; now, therefore be it

Resolved, that the New York City Council calls upon the New York City Rent Guidelines Board not to approve any rent increase for rent-stabilized apartments until further study demonstrates that landlords' expenses are outpacing their profits.

SJM
LS # 2441

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