



Legislation Text

File #: Res 0711-2007, **Version:** *

Res. No. 711

Resolution calling upon the State Legislature to pass, and the Governor to sign Assembly bills A.795, and A.797 which may help preserve affordable housing for low and middle income New Yorkers residing in a Mitchell-Lama following an opt-out such as Starrett City, as well as Assembly bill A.352, and calling upon the Department of Housing and Urban Development (HUD) to impose an additional review period to the sale of Starrett City due to the potential of a large displacement of residents who are receiving Section 8 and other Federal housing assistance.

By Council Member Barron, The Speaker (Council Member Quinn) and Council Members Brewer, Fidler, Foster, Gonzalez, James, Mealy, Nelson, Sanders Jr., Weprin, Mark-Viverito and Baez

Whereas, In enacting the Mitchell-Lama program the New York State Legislature attempted to remedy a serious shortage of decent housing by providing affordable housing for individuals and families whose incomes were too high for public housing, but not high enough to afford housing developed through private enterprise; and

Whereas, Currently, owners of Mitchell-Lama buildings are permitted to buy out their mortgages and take their buildings out of this program after 20 years, and there are thousands of apartments in buildings where landlords currently have this option; and

Whereas, Under the current rent protection laws, buildings that were first occupied on or after January 1, 1974 are not subject to rent and eviction protections offered by these laws; and

Whereas, Many of the Mitchell-Lama buildings were first occupied between 1974 and 1979, and are now all subject to possible landlord opt-outs, which could then permit the landlords to raise the rents to levels that are not affordable by the overwhelming majority of their current residents thus forcing them to leave their neighborhoods; and

Whereas, Starrett City in Brooklyn, home to 14,000 tenants in 5,581 apartments, is a Mitchell-Lama

first occupied after January 1, 1974 whose tenants would not be protected by the rent stabilization system following a buy-out; and

Whereas, Starrett City is also home to over 1,000 apartments occupied by working-poor New Yorkers who currently rely on the Department of Housing and Urban Development's (HUD) Section 8 program; and

Whereas, The Section 8 program allows low-income New Yorkers to live in decent housing and pay no more than 30% of their income towards rent; and

Whereas, An additional 2,242 units are subsidized through the Federal Rental Assistance Program (RAP) and 1,611 units are covered under the Section 236 Rent Concession Program; and

Whereas, New York City is facing a crisis in affordable housing along with a vacancy rate of 3.09% according to the most recent Housing and Vacancy Survey conducted by the City; and

Whereas, The low vacancy rate will make it difficult for Starrett City residents to find similar affordable housing if they are forced to leave their homes; and

Whereas, Starrett City has been an affordable community for working class New Yorkers and must remain so for years to come; and

Whereas, The Mitchell-Lama program was developed to provide stability to both individuals and neighborhoods, and such opt outs without additional protections create destabilization and havoc, especially given the current need of affordable housing; and

Whereas, In the current environment it is extremely difficult to find apartments that are affordable to low, moderate and middle income households; and

Whereas, Assembly bill A.797, sponsored by Assembly Member Vito Lopez would require Mitchell-Lama developments including Starrett City, to notify tenants at least twelve months prior to the opt-out date with more information about the proposed opt-out enabling tenants to be more knowledgeable about the impending circumstances; and

Whereas, The over 1,000 families that currently receive Section 8 assistance would have an

extraordinarily difficult time finding an apartment where the rent is no more than 30% of their income; and

Whereas, According to §26-513(a) of the Administrative Code of the City of New York, certain owners following a Mitchell-Lama opt out may seek to have the legal regulated rent for an apartment increased due to “unique or peculiar circumstances” where the current rent is less than the rent in the same neighborhood for similar apartments; and

Whereas, This statute allows certain owners to increase the rents after opting out of Mitchell-Lama to a point where current tenants will no longer be able to live there resulting in displacement and gentrification; and

Whereas, Both Assembly bill A.795 and A.352 sponsored by Assembly Member Jonathan Bing and Assembly Member Vito Lopez would prevent owners of Mitchell-Lamas from requesting a rent increase due to “unique or peculiar circumstances” thereby preventing displacement; and

Whereas, Additionally, both Assembly bill A.795 and A.352 sponsored by would require that the rent following a Mitchell-Lama opt out remain the same as when in the Mitchell-Lama program which might prevent displacement of Starrett City residents; and

Whereas, Assembly bill A.795, sponsored by Assembly Member Vito Lopez would also put all Mitchell-Lama units, including those at Starrett City, under the rent stabilization program which will keep Starrett City affordable; and

Whereas, Assembly bill A.795, would also keep the Section 8 units affordable by requiring the rent for those units following a Mitchell-Lama opt-out remain the same; and

Whereas, Without the passage of Assembly bills A.352, A.795, and A.797 New York City could see a wave a displacement and gentrification, including nearly 6,000 units of affordable housing (of which over 1,000 are Section 8 units) at Starrett City alone, now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to pass, and the Governor to sign Assembly bills A.795, and A.797 which may help preserve affordable housing for low and middle income New Yorkers residing in a Mitchell-Lama following an opt-out such as Starrett City, as well

as Assembly bill A.352; and be it further

Resolved, That the Council of the City of New York also calls upon the Department of Housing and Urban Development (HUD) to impose an additional review period to the sale of Starrett City due to the potential of a large displacement of residents who are receiving Section 8 and other Federal housing assistance.

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BJG
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