

Testimony of Rebecca Nieves
Office of State Assemblymember Harvey Epstein
Committee on Housing & Buildings
May 2, 2018

I am Rebecca Nieves and I am representing the Office of Assemblymember Harvey Epstein.

We are in support of all resolutions proposed today.

Assemblymember Epstein represents the East Side of Manhattan, including the neighborhoods of the Lower East Side, East Village, Alphabet City, Stuyvesant Town/Peter Cooper Village, Murray Hill, Tudor City and the United Nations. Protecting tenants' rights and preserving affordable housing has been a priority for Assemblymember Epstein even before he took office. His work towards a more affordable New York City will not waiver. Assembly District 74 has seen innumerable changes and hardships regarding its housing. For example, 40% of occupied rent-stabilized units in the zip code of 10009 alone are apartments with preferential rents. That is about 5,500 homes at risk of rents' being hiked up to the legal maximum when leases are up for renewal.¹ In one zip code alone in District 74, we run the risk of displacing and vacating over 5,000 homes. With vacancies come bonuses and decontrol that make it increasingly hard for people to stay in New York.

By continuing to prevent New York City from regulating residential rents, the problem will only be exacerbated. It is imperative that New York City can enact regulations and work with the State Legislature to protect tenants and ensure we are working towards making New York more affordable for everyone.

¹ June 2017 data memo by New York City Rent Guidelines Board summarizing preferential and occupied rent-stabilized apartment unit counts by ZIP code.

Once again, I am Rebecca Nieves representing the Office of Assemblymember Harvey Epstein and we are in support of these resolutions. Thank you for the opportunity to speak.

REAL ESTATE BOARD OF NEW YORK, MEMORANDUM IN OPPOSITION TO NEW YORK CITY COUNCIL RESOLUTIONS TO AMEND RENT STABILIZATION

May 2, 2018

Subject: Eight Resolutions Urging State Legislature to Amend Rent Stabilization

The Real Estate Board of New York is a trade association with 17,000 property owners, builders, commercial and residential brokers and building managers and other professionals active in the real estate industry in New York. The eight rent regulated items on the agenda for the Committee on Housing and Buildings collectively are bad for rental building owners, harmful to renters and disastrous for the City of New York.

These bills would effectively turn off the source of private sector revenue, namely regular market based rent increases, which have been essential for operating and maintaining safe and habitable rental apartments. From experience, we know what can happen to rental apartment buildings that lack the revenue needed to finance essential capital repairs. This lack of capital investment can jeopardize the health and safety of the tenants, and is sadly evidenced in the New York City Housing Authority apartments.

Collectively these bills would return the city rental housing stock to the 1970s. At that time city and state enacted rent regulations had been in place for more than 20 years. New York City experienced an unprecedented surge in housing abandonment and demolition. The rate of housing demolition was so high that the city decided not to publish those statistics. From that period until the enactment of vacancy decontrol, there was an equally unprecedented increase in the conversion of rental housing to coops or condos. In the 12 years prior to the enactment of vacancy decontrol, there were more than 317,000 units approved for conversion, an average of more than 26,000 a year. In the 12 years following vacancy decontrol, the total units approved for conversion was less than 16,000, an annual average of 1,300.

The vacancy decontrol and the other provisions of the rent act of 1993 signaled that investing in New York rental housing was no longer a losing proposition. Owners and investors began to make capital investment in the city's rental housing stock for two reasons. Market based rent increases provided owners and investors with the revenue to finance major building improvements and, if they wanted to receive a market based rent, the property had to have been operated and maintained to justify such a rent. In short, only owners who invested in their property could see and improvement in their rental income.

Similarly, the introduction of vacancy decontrol encouraged investment of new construction as the 1993 rent act quelled builder fears that government would mandate the inclusion of newly built market rate buildings the rent regulations. (One of the eight bills calls for extending rent regulation to all unregulated market rate apartments.) Since the mid-1990s new housing units constructed annually has approximately doubled compared to a similar time period.

The improvement in the quality of our rental housing stock has been dramatic since the period of abandonment, housing demolition and conversion that we saw from the mid-1970s to the earlier 1990s. According to the latest Housing and Vacancy Survey, the quality of our rental housing and neighborhoods is good with the lowest measured maintenance deficiencies ever recorded since conditions were first measured in 1991. Likewise, the 2018 RGB Income and Expense Report indicate a decline in distressed properties. There is ample and overwhelming evidence that the provisions in the rent regulation law, many enacted in 1993 and which this Council asks to be undone, has improved and transformed the quality of our rental housing stock. These bills want to undo this progress and place our entire inventory of rental housing—

regulated and unregulated—on the path that will lead us back to the housing conditions of the 1970s and to the present housing conditions at NYCHA.

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TESTIMONY OF THE LEGAL AID SOCIETY

IN SUPPORT OF THE RESOLUTIONS CALLING ON THE NEW YORK STATE
LEGISLATURE TO PASS AND THE GOVERNOR TO SIGN LAWS CLOSING THE
LOOPHOLES IN THE RENT STABILIZATION AND RENT CONTROL LAWS

New York City Council Committee on Housing and Buildings

May 2, 2018

Thank you to Speaker Johnson, Chair Cornegy, and the New York City Council Committee on Housing and Buildings for the opportunity to speak at this very important hearing.

The Legal Aid Society

This testimony is submitted on behalf of the Legal Aid Society. The Society is the oldest and largest program in the nation providing direct legal services to low-income families and individuals. The mission of the Society's Civil Practice is to improve the lives of low-income New Yorkers by providing legal representation to vulnerable families and individuals to assist them in obtaining and maintaining the basic necessities of life —

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housing, health care, food and subsistence-level income or self-sufficiency. The Society's legal assistance focuses on enhancing individual, family and community stability by resolving a full range of legal problems in the areas of housing and public benefits, foreclosure prevention, immigration, domestic violence and family law, employment, elder law, tax law, community economic development, health law and consumer law

The Legal Aid Society welcomes this opportunity to testify before the New York City Council Committee on Housing and Buildings concerning the resolutions being considered today, calling upon the State Legislature to pass and the Governor to sign legislation that would close the loopholes in the Rent Stabilization and Rent Control Laws.

Introduction

The primary purpose of rent regulation in New York City has been to eliminate abnormal rents in an overheated market. Indeed, the Rent Stabilization Law's stated goal is to protect "public health, safety, and welfare...and to prevent exactions of unjust, unreasonable, and oppressive rents and rental agreements." Rent Stabilization can only exist during a housing emergency which is defined by law as a market where the vacancy rate has fallen below 5 percent. New York City first declared an emergency in 1974. This emergency has endured throughout the years but the crisis which had been chronic has become acute. Because the vacancy rate is so low, tenants cannot move and exercise market power. The Rent Stabilization Law was meant to – and has acted to – approximate the workings of a market where both parties have the power to negotiate contracts.

Unfortunately, the City Council cannot address the severe problems facing rent stabilized and rent control tenants. Because the New York State Legislature amended the laws to include loopholes that allow landlords to charge oppressive rents and offer oppressive rent agreements, many rent stabilized households are living in fear of losing

their homes and communities. These loopholes have incentivized landlords to harass tenants out of their homes and their communities. Until Albany fixes the rent laws by ending the eviction bonus, the preferential rent loophole and the other loopholes, tenants will remain insecure in their housing. One of the most astounding findings in the 2017 HVS is that the median asked for rent – the rent for people who are looking for housing – increased, in three years, almost 30 percent to \$1875. The Legal Aid Society’s clients cannot afford apartments renting for \$1875.

We appreciate the work that this committee and the entire City Council has done to address tenant harassment and tenant displacement but I would be remiss if I did not point out that our State Legislature and Governor must act soon to address this crisis.

Who Lives in Rent Regulated Housing?

Rent stabilization primarily serves low-income people, people of color, and immigrants.¹ The median household income for rent-stabilized households is \$44,560 a year and the median income for rent controlled households is \$28,250. The median income of households in private non-regulated rent units is \$67,000. The median income for homeowners is \$87,000.² 44.3 percent of renter households live in rent-stabilized units.³ Overall, over 400,000 low-income families live in rent-regulated housing.⁴ 41 percent rent-stabilized tenants are low income (with incomes up to 200 percent of the federal poverty line).

Declining Affordability of Housing

¹ Email from Tom Waters, Community Service Society to Ellen Davidson.

² Gaumer, E. Selected Initial Findings of the 2017 New York City Housing and Vacancy Survey. New York, NY: New York City Department of Housing Preservation and Development; available at <http://www1.nyc.gov/assets/hpd/downloads/pdf/about/2017-hvs-initial-findings.pdf> Accessed March 15, 2018.

³ Id.

⁴ Victor Bach & Tom Waters, Community Service Society, *Making the Rent, Before and After the Recession*, May 2016 at 24.

Many New York City renters are facing dire circumstances. In the face of fewer rental opportunities and higher prices, renters are suffering from a growing disparity between what they can afford and their actual rent. According to the Selected Initial Findings of the 2017 New York City Housing and Vacancy Survey, the median rent for rent-stabilized apartments rose from \$1,237 in 2014 to \$1,269 in 2017; an increase of 2.6 percent above inflation⁵. While rents in rent-controlled apartment decreased from \$928 to \$915, median rent burdens for rent-controlled households increased dramatically 30 percent in 2014 to 40 percent in 2017⁶. While households incomes have begun to recover from the Great Recession, median rent burdens for rent stabilized households remain high at 33.3 percent in 2017⁷.

Tenants continue struggle to pay rent and obtain the necessities of life. Median gross rents increased 3.1 percent between 2015 and 2016.⁸ The poverty rate in New York City was 20.3 percent in 2016, compared to a nation-wide poverty rate of 14.7 percent.⁹ The average number of cash assistance cases in New York City increased for the seventh time in the past eight years by 2.4 percent in 2016, following an increase of 5.7 percent in 2015.¹⁰ And, despite the decrease in the number of food stamps recipients between 2014 and 2015 to 1.7 million, this number is still more than double what it was in the early 2000s.¹¹ There are increasing numbers of tenants facing the potential loss of their homes. Landlords are

⁵ Gaumer, E. Selected Initial Findings of the 2017 New York City Housing and Vacancy Survey. New York, NY: New York City Department of Housing Preservation and Development, available at <http://www1.nyc.gov/assets/hpd/downloads/pdf/about/2017-hvs-initial-findings.pdf> Accessed March 15, 2018.

⁶ Id.

⁷ Id.

⁸ NYC Rent Guidelines Board, *2018 Income and Affordability Study*, 11.

⁹ *2012-2016 American Community Survey 5-year estimate, US Census*.

<https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>

¹⁰ NYC Rent Guidelines Board, *2017 Income and Affordability Study*, 14.

¹¹ NYC Rent Guidelines Board, *2017 Income and Affordability Study*, 15.

suing tenants more often for money that they do not have; increasing rents will only lead to more evictions and homelessness. An individual would have to work an astonishing 114-120 hours per week at minimum wage, 52 weeks a year, in order to afford an average two-bedroom apartment in New York City.¹² Alternatively, the individual would need a wage increase to at least \$31.48 per hour, or \$65,480 a year, in order to afford the same apartment.¹³

Declining Availability of Housing

Unfortunately for New York renters, declining affordability is coupled with declining availability. The net vacancy rate of rent-stabilized units was 2.06 percent in 2017 compared to a City-wide vacancy rate of 3.63 percent, significantly below the 5.0 percent threshold that legally defines a housing emergency.¹⁴ The number of vacant units affordable to low-income New Yorkers is even more meager. In 2017, the vacancy rate for all units with rents less than \$800 was only 1.15 percent.¹⁵ The 2017 vacancy rate for units under \$1000 was only 2.09 percent.¹⁶

The decrease in availability of affordable vacant units is exacerbated by the loss of at least 151,222 rent-stabilized housing units in the last 22 years, primarily due to high-rent vacancy deregulation.¹⁷ Units that remain available are increasingly out of the range of low-income New Yorkers. Between 2000 and 2012, the number of units in New York City

¹² NYC Rent Guidelines Board, *2017 Income and Affordability Study*, 12.

¹³ NYC Rent Guidelines Board, *2017 Income and Affordability Study*, 12.

¹⁴ Gaumer, E. Selected Initial Findings of the 2017 New York City Housing and Vacancy Survey. New York, NY: New York City Department of Housing Preservation and Development; available at <http://www1.nyc.gov/assets/hpd/downloads/pdf/about/2017-hvs-initial-findings.pdf> Accessed March 15, 2018.

¹⁵ Id.

¹⁶ Id.

¹⁷ NYC Rent Guidelines Board, *Changes to the Rent Stabilized Housing Stock in New York City in 2015*, 9, 13. (As noted in the report, these numbers are a floor or a minimum count of units loss as registration of deregulated units with DHCR is voluntary).

renting for less than \$1000 declined by over 400,000.¹⁸ According to the recently released HVS, between 2014 and 2017, the number of units renting at under \$1500 decreased by 166,000 or 12.4 percent.¹⁹ During the same time period, the number of units renting at over \$1500 increased by 149,000 or 21 percent.²⁰ And in the last three years, apartments renting for over \$2000 increased by 99,594 units.²¹

A recent report from the Coalition for the Homeless analyzed the historical context of the mismatch between low-income New Yorkers need for affordable housing and the numbers of affordable units. The findings are extremely concerning. In 1999, there were 1,178,994 low income households needing affordable apartments renting for under \$800.²² At the time, there were 1,351,367 apartments renting for under \$800²³. Today, there are 867,811 households needing apartments renting under \$800 in order to access affordable rents²⁴. According to the recently released HVS, there are now 349,862 apartments available to these low income New Yorkers²⁵. Nearly one-third of New York City renters are severely rent burdened, paying more than 50 percent of their income toward their rent.

The scarcity of available rent-stabilized housing is a part of an overall decline in the availability of affordable housing. There remain only 77,000 units covered by either the

¹⁸ Scott M. Stringer, New York City Comptroller, *The Growing Gap: New York City's Housing Affordability Challenge*, 2014, 6.

¹⁹ Gaumer, E. Selected Initial Findings of the 2017 New York City Housing and Vacancy Survey. New York, NY: New York City Department of Housing Preservation and Development, available at <http://www1.nyc.gov/assets/hpd/downloads/pdf/about/2017-hvs-initial-findings.pdf> Accessed March 15, 2018.

²⁰ Id.

²¹ Id.

²² Giselle Routhier, *State of the Homeless 2018: Fate of a Generation*, Coalition for the Homeless, March 2018

²³ Id.

²⁴ Id.

²⁵ Id.

Mitchell-Lama program or the federally subsidized Project Based Section 8 program. This is a loss of 35 percent since 1990.²⁶

Applicants for public housing face similar shortages: 257,143 families are on the waitlist for NYCHA public housing, with 146,808 applicants on the waiting list for Section 8 housing vouchers in New York City.²⁷

This combination of market forces and governmental decisions has worked together to have a devastating effect on low and moderate income New Yorkers. The declining number of vacant units available for rent, the fact that housing expansion has not kept pace with population growth, and the ongoing public housing crisis have all contributed to the scarcity of available affordable housing.

Growing Problem of Homeless Families

The scarcity of affordable housing, rising rents, and the increasing cost of living have contributed to record use of the City's shelters in 2018. In the last decade, the number of homeless New Yorkers sleeping in municipal shelters has risen an astonishing 82 percent.²⁸ The period for which those families remain in temporary housing remains an average of 400 days, the longest average recorded.²⁹ At the end of 2017, an average of 63,495 men, women and children slept in New York City's homeless shelters.³⁰ Three-fourths of New Yorkers sleeping in shelters are members of homeless families, including 23,600 children³¹.

²⁶ Oksana Miranova, *Closing the Door: Subsidized Housing at a Time of Federal Instability*, Community Service Society, March 2018.

http://lghhttp.58547.nexcesscdn.net/803F44A/images/nycss/images/uploads/pubs/Closing_the_Door_FINAL_WEB.pdf

²⁷ New York City Housing Authority, "Facts about NYCHA," available at

<https://www1.nyc.gov/assets/nycha/downloads/pdf/factsheet.pdf>. Data accessed May 9, 2017.

²⁸ Giselle Routhier, *State of the Homeless 2018: Fate of a Generation*, Coalition for the Homeless, March 2018.

²⁹ Id.

³⁰ Id.

³¹ Id.

Close the loopholes in the Rent Stabilization and Rent Control Systems

Unfortunately, while renewal of the rent laws is essential, renewing the rent laws alone does not address the instability and affordability crisis faced by rent regulated tenants. Albany must move this year to end the preferential rent loophole. The preferential rent scheme has been a unique tool to assist landlords in raising rents by huge percentages during a tenancy. While preferential rents seem to be a good thing for tenants, preferential rents easily hide fraudulent legal rents and even when legitimate, weaken tenants' right to renewal leases at increases approved by the Rent Guidelines Board. At this moment, over 30 percent of all regulated rents are preferential. Increasingly, attorneys from the Legal Aid Society have clients that are too afraid to complain about dangerous conditions in their homes. Tenants with preferential rents fear requesting repairs because they know that at the end of each lease term, they risk losing their homes and facing homelessness. Additionally, rewarding landlords with 20 percent increases for pushing tenants out of their homes is unacceptable in a City where we have lost one million apartments affordable to low income New Yorkers in the past 20 years. The Community Service Society's Making the Rent 2016 analyzed rent increases between 2011 and 2014 and found that 48 percent of the rent increases in rent stabilized apartments could be attributed to the eviction bonus. It is long past time to close these loopholes. These loopholes, together with the ones addressed by the other resolutions before this committee are necessary to ensure that Rent Regulated tenants can remain in their homes and communities without fear of harassment and displacement.

May 2, 2018

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Conclusion

Thank you for the opportunity to testify before the New York City Council
Committee on Housing and Buildings today.

Respectfully Submitted:

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**New York City Council
Committee on Housing & Buildings
Public Hearing
May 2, 2018**

**Testimony of Michael McKee, Treasurer
Tenants Political Action Committee**

Tenants PAC supports the various resolutions calling on the state legislature to pass, and the governor to sign, several bills to close loopholes in our rent protection laws and to strengthen rent and eviction protections. Because New York City lacks home rule power over rents and evictions, we must look to Albany to fix our broken rent laws, and for the last twenty-five years we have beaten our heads against a brick wall.

Tenants PAC urges you to include a resolution in support of S6828/A8409-A, which is necessary to prevent the eviction of hundreds of loft tenants, most of them in northern Brooklyn.

These measures should have been enacted years ago, but Governor Andrew Cuomo has refused to support any of them for the last seven and a half years. Now that he has had an election-year conversion, his minions claim that he wants to repeal Vacancy Deregulation and to make Major Capital Improvement rent increases temporary surcharges.

In addition to an indifferent governor beholden to the real estate developers who have poured millions of dollars into his campaign coffers, the Republicans who control the state senate and the rogue Democrats who empower the Republicans have stopped any of these bills from coming to the floor. The state assembly passes these and other pro-tenant bills every year, or every other year, and everyone in Albany understands that they are one-house bills. But the assembly has failed to use any real leverage to force the governor and senate to enact them.

Tenants are encouraged by statements from Speaker Corey Johnson, beginning at his inauguration on January 28, that he intends to use his bully pulpit to help us put pressure on Albany to act on these bills. Other speakers have supported stronger rent protections, but none has made this fight a daily priority until now. We are very grateful to the Speaker.

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The gutting of our rent protection laws over the last two and a half decades has been the major contributor to the disastrous affordability crisis we are now experiencing not only in the city but in the suburban counties as well.

Some of you will be surprised to hear this next part of my testimony. We should never forget that it was not the Republicans in Albany who did the first real damage, but in fact the Democrats in the New York City Council who set the stage for our current crisis. In 1994, when the city rent laws were up for renewal for three more years, Speaker Peter Vallone, who was seeking real estate support to run for mayor, was able to cobble together 28 votes to enact permanent vacancy deregulation and permanent high-income deregulation. State law allows the City to weaken the rent laws, but not to strengthen them.

One by one, Democratic members of the Council from Brooklyn, Queens and the Bronx told tenant advocates, "I don't have any apartments in my district renting for \$2,000 a month, so this bill will not affect my constituents." We replied that if they passed this bill, monthly rents of \$2,000 would become common all over the city. Of course, we were right and they were wrong, but the damage was done and now can only be undone by Albany.

In 1997 the state legislature and Governor George Pataki incorporated these deregulation amendments into state law, thus pre-empting the City from altering them, and expanded the two deregulation mechanisms to the suburban counties. We have lost hundreds of thousands of affordable units since these amendments became law.

We look forward to working with Speaker Corey Johnson and other members of the City Council to restore our rent laws. We hope that all of you will participate in this fight. For starters, each one of you can organize one or more town hall meetings in your districts to activate and mobilize tenants to apply pressure to Albany. And you can help pay for buses to Albany next year, when the state rent and coop laws once again come up for renewal.


NEW YORK CITY COUNCIL HEARING – COMMITTEE ON HOUSING AND BUILDINGS May 2, 2018

Kathleen Wakeham ksw@att.net

As a rent stabilized tenant for over forty years, I am in support of all the Resolutions presented today, and would like to speak about MCIs and the vacancy bonus and decontrol.

Tenants are rent-burdened because of rent increases, fees, MCIs, and other surcharges. According to the Coalition Against Tenant Harassment (CATH) and the Association for Neighborhood Housing & Development (ANHD), in Community Board 3 which includes Chinatown and the Lower Eastside where I live, the median household income is \$42,268. Here, 50.5 percent of tenants are rent-burdened. The recent Rent Guidelines Board (RGB) Studies state that citywide tenants' incomes have remained stagnant for the fourth consecutive year while landlords' profits are 43 percent.

The vacancy decontrol and vacancy bonus are incentivizing landlords to harass longstanding tenants from their homes. This is done by aggressively offering buy outs and by frivolous lawsuits. To fight these lawsuits and evictions, many tenants use their savings and retirement funds to pay legal fees. According to the Right to Counsel Coalition, 250,000 to 300,000 evictions are due to nonpayment of rent. Many are among the more than 60,000 homeless people living in shelters. Often, by the time a tenant is eligible for SCRIE or DRIE, the rent is unaffordable. These programs freeze rents. They do not roll back rent. So, tenants either cutback on medicine and food or move from their homes.

Also, many registered rents of preferential and market rate leases are illegal. To remedy this, the statute of limitations must be extended. *MCIs must be temporary* 

I thank the Council for these Resolutions, and I hope that the state who has the ability to make these changes, will do so to protect affordable housing and maintain the stability of our neighborhoods.

Delsenia Glover, Director of Education and Organizing
Tenants & Neighbors

Testimony

May 2, 2018

New York City Council

Committee on Housing and Buildings

Good morning and thank you Mr. Chairman for the opportunity to testify here today. My name is Delsenia Glover and I am the Director of Education and Organizing at Tenants & Neighbors. In this capacity, I also serve as the campaign manager for the Alliance for Tenant Power, a coalition of organizations working to strengthen the rent laws for rent regulated tenants.

Tenants & Neighbors is comprised of two affiliate organizations, the Information Service and the Coalition, that share a common mission: to build a powerful and unified statewide organization that empowers and educates tenants; preserves affordable housing, livable neighborhoods, and diverse communities; and strengthen tenant protections. The Information Service organizes tenants in at-risk rent regulated and subsidized buildings, helping them preserve their homes as affordable housing. The Coalition is a 501c4 membership organization that does legislative organizing to address the underlying causes of loss of affordability. Our membership organization has over 3,000 dues-paying members, thousands of tenants who are and will continue to be affected by what happens with the rent laws this legislative session and next year, when the rent laws come up for renewal.

I am here to testify in support of the list of bills being voted on today: S.6527/A.6286 regarding preferential rents; S.3179/A.5557 repealing vacancy deregulation; S.6925/A.268 for rent control relief; S.1593/A.9815 to repeal vacancy bonus; and unnumbered bills to extend rent stabilization to unregulated apartments and extend the statute of limitations for rent overcharges.

Rent regulation is the largest system of affordable housing in New York for low- and moderate-income tenants, and is largely concentrated in historic communities of color that are now rapidly gentrifying.

Tenants & Neighbors has been organizing and working with tenants and tenant associations in rent regulated buildings for many years. We have seen the loss of tens thousands of regulated units over the years due to these loopholes in the law, and the devastating effects that loss has had on our communities. We have also seen tenants living in rent-regulated units are increasingly unable to afford to pay the rent, and many are paying more than 50 percent of their income in rent including the elderly. This highlighting of these pieces of legislation by the Housing and Building Committee is particularly significant right now, as we approach one-year out from the rent law renewal of 2019.

We in the movement for housing justice are very pleased to have the support of the City Council and will look forward to your support as we move into next year.

Thank you for the opportunity to testify today.

Testimony for the New York City Council Housing & Buildings Committee
On Resolutions Related to the Strengthening of the State Rent Laws
Housing Court Answers, Inc. - May 2, 2018
Jenny Laurie, Executive Director

Preconsidered Res. No. ____, Resolution calling upon the New York State Legislature to pass, and the Governor to sign, S.3482/A.433, in relation to repealing vacancy decontrol

Preconsidered Res. No. ____, Resolution calling upon the New York State Legislature to pass, and the Governor to sign, S.6527/A.6285, which limits rent increases on renewal of rent stabilized units where a preferential rent was being charged

I want to thank the City Council and Speaker Johnson for making the strengthening of the rent laws a prominent part of your agenda for tenants in the city.

Housing Court Answers staffs information tables in the five county Housing Courts, operates a hotline for tenants facing eviction for nonpayment of rent, and provides trainings for housing advocates on eviction prevention and housing topics. The one piece that I would like to focus my testimony on is the resolution in support of S.6527/A.6285. These days, it seems like half the people who come to our table in the Bronx mention that they have a preferential rent. Yesterday, a woman, from the Bronx, called our hotline for help with back rent and I asked her if she was rent stabilized and she said “no - the rent is pre-rental”. I guessed “preferential”? And she agreed “yes, that’s it”. While not knowing the precise term, she certainly understood that she would not be able to pay the “legal” rent so the apartment was as good as unregulated and that she was living on a precipice. The level of preferential rents is so high in the Bronx it has created a huge pool of instability - and I’m afraid all those tenants will be in Housing Court soon, facing eviction. A recent Community Service Society finding revealed that in 2017, half of poor renters reported being unable to afford a \$25 monthly increase in rent – and that near poor and moderate income households were just as bad off – 47 to 40 percentage couldn’t afford that low of an increase in rent.¹ We know from the Housing and Vacancy Survey, that we already have huge rent burdens in the city: one third of tenants pay over 50% of their incomes in rent. Couple those numbers with the fact that one third of city rent regulated apartments have a preferential rent (probably an undercount), it is not difficult to imagine a huge eviction crisis in the future. Repealing vacancy decontrol coupled with changing the preferential rent loophole would go miles in helping low income tenants avoid eviction, particularly those in the Bronx.

¹ Tenants at The Edge: Rising Insecurity Among Renters in New York City by Oksana Mironova and Victor Bach, Community Service Society, April, 2018.

Testimony Of Susan Steinberg
President, Stuyvesant Town—Peter Cooper Village Tenants Association
Before The New York City Council Housing & Buildings
May 2, 2018

Members of the Housing & Buildings Committee, I am Susan Steinberg, President of the Stuyvesant Town-Peter Cooper Village Tenants Association, representing 28,000 residents in 11,230 units. Despite the protections of rent regulations, rents have risen dramatically. A one bedroom now *starts* at \$3156 per month. That's not affordable, particularly in a city where the cost of living is 129% higher than the national average.

As a result of the weakening of rent laws every time they come up for renewal in Albany, rents in my complex have skyrocketed and our once stable community is now filled with transients, who double and triple up to make the rent, then leave at lease renewal when the rent goes up. Thousands of units churn annually thanks to vacancy decontrol, vacancy bonuses, preferential rents, and major capital improvements that we pay for til death. Prefiguring all these amendments and loopholes was the Urstadt Law, which snatched away New York City's control of its rent destiny. Time to take back control!

You have before you a series of pre-considered resolutions which would repeal or limit those regulations which constitute a catalog of bad faith on the part of our state legislature. The 28,000 residents of Stuyvesant Town-Peter Cooper Village support the preconsidered resolutions and urge the City Council to call for the State Legislature to pass and the Governor to sign S3482/A.433; S6527/A.6285; S.4312; S.3179/A.5557; S6925/A.268; S1593/A.9815; legislation to extend rent stabilization to unregulated apartments; and extending the statute of limitations for rent overcharges.

Thank you for the opportunity to testify.

Dan Margulies
Associated Builders and Owners of Greater New York
Community Housing Improvement Program, Inc.
5 Hanover Square, Suite 1605
New York, NY 10004

ABO would like to go on record as opposing all of the proposed resolutions. Rent regulation is a failed policy and tighter controls will only reduce the amount of housing available to rent at any price. The additional rent limits proposed will result in poorer maintenance of existing properties and greater difficulty in assembling sites for new construction. While some may applaud this as "limiting displacement," it effectively perpetuates the problem of too few units. We urge the Council to consider the greater good.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. Various
 in favor in opposition

Date: May 2, 2018

(PLEASE PRINT)

Name: Dedsonia Belover

Address: 255 W 30 St

I represent: Tenants & Neighbors

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. Various
 in favor in opposition

Date: May 2, 2018

(PLEASE PRINT)

Name: Michael McKee

Address: 233 W 21 (4D) NYC 10011

I represent: Tenants Political Action Committee

Address: 277 Broadway Suite 608 NYC 10007

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Jenny Laurie

Address: 240 W 98 St NYC

I represent: Houshy Court Answer

Address: 50 Broad St NYC

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

Name: ELLEN DAY OSW (PLEASE PRINT)

Address: _____

I represent: The Legal Aid Society

Address: 199 WATER ST NY NY 10038

◆ Please complete this card and return to the Sergeant-at-Arms ◆

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1930 Res. No. _____
 in favor in opposition

Date: 05/02/18

Name: Rebecca Nieves (PLEASE PRINT)

Address: 3203 BUNN Ave Apt. 2D Bronx, NY 10461

I represent: Office of Assemblymember Epstein

Address: 250 Broadway 22nd Fl New York, NY 10017

◆ Please complete this card and return to the Sergeant-at-Arms ◆

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. ARC Res. No. 1930
 in favor in opposition

Date: 5-2-18

(PLEASE PRINT)

Name: KATHY WAKEHAM
Address: 325 EAST 12 ST., #5-B, NYC 10003
I represent: NYC COUNCIL ON HOUSING
Address: 168 CANAL ST., NYC

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. T2012-1930 Res. No. _____
 in favor in opposition

Date: May 2, 2018

(PLEASE PRINT)

Name: SUSAN STEINBERG
Address: 5 STUYVESANT CVAL 116
I represent: Stuyvesant Town-Peter Cooper Village
Address: Tenant Assoc PO Box 12, 1002
NY, NY 10009-1202

Please complete this card and return to the Sergeant-at-Arms