File #: Res 1016-2025, **Version:** *

Res. No. 1016

Resolution calling on the New York State Legislature to pass, and the Governor to sign, legislation setting the minimum notice period for rent increases to 60 days for Mitchell-Lama rental and co-op residents

By Council Members Farías, Louis, Restler, Brannan, Cabán, Williams, Banks, Gutiérrez and Dinowitz

Whereas, New York State Homes and Community Renewal (HCR) is the State's affordable housing agency and lender, whose mission is to build, preserve, and protect affordable housing and increase homeownership throughout New York State; and

Whereas, HCR is comprised of several agencies and corporations including the New York State Division of Housing and Community Renewal (DHCR), which is responsible for the supervision, maintenance, and development of affordable low- and moderate-income housing in New York State; and

Whereas, Mitchell-Lama housing was created in 1955 by the Limited Profit Housing Act to provide affordable rental and cooperative (co-op) housing to middle-income families, and a total of 269 State-supervised Mitchell-Lama developments (developments) have been built under this program, totaling over 105,000 units; and

Whereas, DHCR is responsible for supervising the housing companies and managing agents of these developments and providing low-cost financing tools and capital for the preservation and improvement of these developments; and

Whereas, As part of their rent, residents of these developments are responsible for paying a carrying charge, also sometimes called a maintenance fee, to the housing companies and managing agents of these developments; and

Whereas, Carrying charges may be increased from time to time, subject to certain notice and other

requirements set forth in State law; and

Whereas, State rules require housing companies to provide at least 30 days' notice to rental residents, and at least 5 days' notice to co-op residents prior to the effective date of an increase in rents, including carrying charges; and

Whereas, The New York City (NYC) Department of Housing Preservation and Development (HPD) has promulgated rules, pursuant to authority granted by State law, requiring at least 15 days' notice to co-op residents; and

Whereas, In June 2023, the New York State Comptroller published the findings of an audit of 4 developments in NYC, reporting that DHCR failed to meets its responsibilities to adequately oversee the physical and financial conditions at the sampled developments; and

Whereas, The same report found hazardous conditions (such as damaged ceilings and mold), and a misuse of funds totaling approximately $1.5 million across the 4 sampled developments; and

Whereas, In some developments such as Jamie Towers in Castle Hill, due to mismanagement and delays, the development lost an estimated $108,523 in maintenance fees, and residents have faced contaminated water, lack of heat, and increased pest infestations, while several class C immediately hazardous housing maintenance code violations remain open on the property; and

Whereas, In attempts to recoup these losses in Jamie Towers, residents have endured successive carrying charge increases of 10% (2012), 6% (2017), and 16% (2023), even while the development's management collected bonuses totaling over $20,000 over the period of January 2019 through March 2022; and

Whereas, Despite pleas from New York State Senator Nathalia Fernandez, New York State Assembly Member Karines Reyes, New York City Council Member Amanda Farías, and Bronx Borough President Vanessa Gibson to DHCR, Jamie Towers residents saw yet another increase of $107.18 per room on May 1, 2024, placing further financial stress on residents; and

Whereas, Sixty percent of residents in Jamie Towers are older adults, and most are on a fixed income, and further unexpected increases in the carrying charge would impose an overwhelming financial burden on these residents, potentially pushing more shareholders into arrears, jeopardizing their shares, or forcing them to vacate their homes entirely, exacerbating the already dire housing crisis and failing at the stated mission of HCR and the Mitchell-Lama Housing Program; and

Whereas, Passing state legislation increasing the notice period for maintenance cost increases to 60 days would keep residents informed and allow them to plan ahead, advocate for themselves, and have the flexibility to do what is best for them; now, therefore, be it

Resolved, That the Council of the City of New York calls on the New York State Legislature to pass, and the Governor to sign, legislation setting the minimum notice period for rent increases to 60 days for Mitchell-Lama rental and co-op residents.

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