



NEW YORK STATE SENATOR

Pedro Espada Jr.

## Rent Relief for NYC Tenants Sails Through Housing Committee

PEDRO ESPADA, JR. June 1, 2010

| ISSUE: **HOUSING**

| COMMITTEE: **HOUSING, CONSTRUCTION AND COMMUNITY DEVELOPMENT**

### **Espada 'Rent Freeze' Bill Passes 6-2**

### **Now Moving to Finance Committee Before Full Senate Vote**

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Contact: 518-455-3395 - Norreida Reyes

A bill proposed by State Senate Majority Leader Pedro Espada, Jr. that would freeze rents for tenants living in rent-regulated apartments in poor and low-income neighborhoods in New York City's five boroughs, passed 6-2 in a vote today in the housing committee. Sen. Espada's rent freeze bill received bipartisan support. The proposed legislation, S6811-a, now moves to the Senate Finance Committee before going to the floor for a full Senate vote.

Sen. Espada, who is chairman of the Senate Standing Committee on Housing, Construction and Community Development, was joined by committee members and fellow Democrats, Senators Ruth Hassell-Thompson and Rev. Rubén Díaz, Sr., and Republican committee members, Senators Bonacic, Leibell, and Young in voting to move the bill out of the housing

committee. The lone dissenting votes came from Senators Daniel Squadron and Liz Krueger.

The proposed bill would freeze rents for five years for tenants of rent-regulated housing whose household income is \$45,000 or less, and who pay 33% or more of their income toward rent.

The rent freeze program would impact approximately 600,000 tenants in 212,000 households, representing rent relief for an unprecedented 30% of households in the rent-regulated system throughout the five boroughs -- including 88,000 households in Brooklyn, 70,000 in Manhattan, 69,000 in the Bronx, 68,000 in Queens and 2,000 in Staten Island. No taxpayer dollars or financial support from city and state government would be required. Instead, the rent freeze program would be fully funded by landlords, who would be obligated to return to the city all of the J-51 tax benefits they received for their buildings and waive any future benefits they would have been entitled to. The city will gain approximately \$80 million annually as the result of not having to provide future J-51 tax abatements.

In addition to freezing rents, the proposed bill would extend the state's rent laws until 2019 to insure that the same rent laws will be in effect for the duration of the five-year rent freeze plan.

"The rent freeze bill would provide real help to the city's most vulnerable tenants – poor and working families and individuals struggling to pay their rent because 33 percent or more of their income goes toward the rent. Instead of paying increases set annually by the Rent Guidelines Board, the rent of 600,000 tenants would be frozen for five consecutive years. They would have more money in their pockets to buy food, clothes, medication and other necessities instead of spending it on rent increases," Sen. Espada said.

"It is about time we provide this important safeguard for senior citizens who have been falling through the cracks in this economy," said Senator Rev. Rubén Díaz (D-Bronx),

Chairman of the Senate Committee on Aging. “For the first time, seniors with a household income that falls between \$28,000 and \$45,000 a year will be eligible for rent freeze protection.”