



NEW YORK STATE SENATOR

Liz Krueger

Senator Krueger and Senate and Assembly Democrats Join with Housing Advocates to Call for Saving and Strengthening of Rent Regulations in the State Budget

LIZ KRUEGER March 23, 2011

| ISSUE: **HOUSING**

For Immediate Release: March 23, 2011

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(Albany, NY) – With rent regulation laws that protect affordable housing for over 2.5 million tenants in New York City and the surrounding counties (Westchester, Nassau, and Rockland) dangerously close to expiring, Senator Liz Krueger (D-Manhattan) joined Senate and Assembly Democrats and housing advocates to urge Governor Andrew Cuomo to include tenant protections in this year's State Budget.

Between 1994 and 2010, over 300,000 units of affordable housing were removed from rent regulation in large part due to the vacancy decontrol loophole that allows landlords to take apartments out of the rent regulation system and charge exorbitant rents. If the laws governing rent regulation are allowed to expire this June, millions of families could be forced from their homes by massive rent hikes. Additionally, if families are forced from their homes due to this "tenant tax" there would be a devastating impact on state and local budget revenue.

Senator Liz Krueger (D-Manhattan), Ranking Democrat on the Senate Finance Committee said, "In order to ensure that the millions of hardworking low- and middle-income New Yorkers living in rent regulated units are able to remain in their homes, we must extend rent regulation laws and close the loopholes that have plagued the rent regulation system for far too long. The expiration of these laws would deliver a double blow to our poorest seniors and the disabled because without rent regulation, there is no SCRIE or DRIE program. Governor Cuomo has argued against tax increases in his budget, but failing to fix the rent laws translates to the biggest tax increase of all on those least able to pay. There is no greater tax than putting renters in a position of not being able to afford to stay in their homes because of the government's failure to act. We cannot allow the final negotiation of rent regulation to come down to the wire, there is simply too much at stake. We must deal with it now and the budget process is the best way to do that."

Senate Democratic Leader John L. Sampson said, "New York has to be more affordable for it to remain livable for Middle Class families. Including tenant protections in the budget will stop a devastating tenant tax from forcing millions of New Yorkers out of their homes."

Senator Adriano Espaillat (D-Manhattan/Bronx), Ranking Democrat on the Senate Housing Committee said, "We must extend and strengthen rent regulations and we must do so as part of the budget. A failure to extend and strengthen rent regulations will be tantamount to a tenant tax that will squeeze millions of New Yorkers out of their homes. I urge Senate Republicans to join Senate Democrats, tenant advocates, and, Governor Cuomo in supporting tenants and include rent regulations in the budget."

Senator Daniel Squadron (D-Brooklyn/Manhattan) said, "The budget is the last best chance at renewing and improving our rent laws. More than a million New Yorkers depend on rent regulations to keep them in their homes, and New York's neighborhoods depend on the stability that our affordable housing laws provide. We can't risk tenant protections by letting

them linger until the frenzied end of the legislation session, when they are on the verge of expiration. We must extend and improve the rent laws by the time the budget is passed, to avoid the devastation and chaos that would result if the laws expired. I will continue to work with my colleagues to ensure that we protect tenants throughout New York.”

Michael McKee, spokesman for the Real Rent Reform Campaign said, “The governor clearly knows that rent law renewal and reform is critical for millions of New Yorkers. All the rent reform supporters I have talked to agree that the only way to accomplish meaningful reform of rent regulation is to pass it within budget, and that only a budget including rent reform will be acceptable. Anything short will play into the Republican plans to delay renewal until the last minute, and then dilute rent protections the same way they did the last time these laws had to be renewed. If the Governor is sincere about his stated goal of strengthening rent regulations, he will reconsider his approach and include rent reform in the budget.”

Assemblymember Linda B. Rosenthal, Mitchell-Lama Housing Subcommittee Chair said, “As the source of basic economic security for millions of New Yorkers, the rent laws belong in the budget. Addressing the Emergency Tenant Protection Act via budget agreement presents our best chance of repealing vacancy decontrol and achieving other long-sought tenant victories. There will be no better illustration of Albany dysfunction than negotiating this legislation on or after June 15, when millions of ordinary New Yorkers are afraid for their homes. Tenant advocates have been down this path many times before, and each renewal deadline has culminated with a bad deal for tenants. Abandoning the most effective way of assisting these renters is senseless at best.”

Senator Andrea Stewart-Cousins (35th District- D/WF/I) said, “It is critical that we extend and strengthen rent protections to ensure that New Yorkers have affordable places to live. I have spearheaded several tenant protection measures in the Senate, including the repeal of vacancy decontrol and reforms to Mitchell Lama housing, because the shortage of affordable

housing threatens hundreds of thousands of New York families. The Senate Democrats' proposal would allow these families to stay in their homes by extending rent controls, protecting tenants from abuse and stabilizing the stock of affordable housing. My colleagues and I will continue to fight so that these protections become law."

Senator Thomas K. Duane (D-Manhattan) said, "The availability of affordable rental housing is dramatically and rapidly decreasing in New York City and in many other parts of our State -- including municipalities in Westchester, Rockland and Nassau counties. Rent regulation protections are urgently needed to preserve precious housing stock. Loopholes must be closed and regulations must be strengthened to prevent any further circumvention of regulations, regulations which keep New York's housing stock affordable and habitable. It is critically important to use any and all strategies to renew and strengthen rent regulation."

Senator Toby Ann Stavisky (D-Whitestone) said, "It's time to extend tenant protection laws, strengthen rent regulations and prevent a housing crisis in New York State. It is wrong to wait until the ticking clock strikes midnight causing chaos among the thousands of residents in regulated units. I grew up in a rent controlled apartment on the upper west side. Because rents were regulated and affordable, my mother was able to continue to live there until she died. Affordable housing, along with good schools and a safe environment is the key to New York's survival."

Senator Ruth Hassell-Thompson (D-Mount Vernon) said, "We cannot maintain our communities, grow our businesses, and keep people in their homes without renewing and expanding rent regulations. Rent regulation laws are the only thing preventing the largest affordable housing crisis in this country's history. New Yorkers are still reeling from the national mortgage foreclosure crisis of 2009. Acting expeditiously in advancing rent regulations will keep 2 million New Yorkers from being driven from their homes by a devastating back-door tenant tax; which would disproportionately impacting immigrant and

communities of color. Including protections in the budget process will safeguard resident from harassment, abuse and stop an affordable housing crisis from crippling New York's fragile economy, and continue to ensure that New York remains a beacon for diversity."

Senator Joseph P. Addabbo (D-Queens) said, "Raising rents on middle class and working poor families that are already reeling in this tough economy is like burdening them with a crushing tax that will drive New Yorkers from their homes. That's why I support this legislation strengthening rent control and other crucial regulations that protect tenants and stabilize communities across New York. We must protect seniors, veterans, and the disabled from losing the very roofs over their heads."

Senator José Peralta (D-Queens) said, "Stabilizing the stock of affordable housing and protecting tenants from unscrupulous landlords is especially important at a time when many families are having a particularly hard time making ends meet. Quality affordable housing is the foundation for good schools, safe streets, successful businesses and strong communities."

Senator Gustavo Rivera (D-Bronx) said, "Senate Democrats, the Governor and the Assembly all want to see rent regulations in the budget, but once again the Senate Republicans are blocking important legislation that would impact the lives of millions of New Yorkers. In this case, Senate Republicans say they are against raising taxes, but if they allow the budget to pass without tenant protections, they are passing the most significant 'tenant tax' in the history of our state – impacting millions of tenants in New York City, Westchester, Nassau and Rockland counties. Majority Leader Skelos' excuse is that we should be content to kick the can down the road and wait until the very last minute if we are going to discuss tenant protections so landlords can continue to leverage tenants with the threat of rent regulation expirations."

Senator José M. Serrano (D-Manhattan/Bronx) said, "The current recession has disproportionately hurt our middle and low-income families, which makes passing rent regulation reforms more important than ever before. We must act now to pass housing policy that will not allow for low income families to be pushed out of their homes, so that we can protect the vibrancy, diversity and economy of our city."

Senator Shirley L. Huntley (D-Jamaica) said, "Tenant rights are a vital component of the New York City Housing System and must be implemented in a fair and just manner. Thousands of units have left the system, putting a strain on many families who otherwise may have had the opportunity to live in affordable housing. Tenants who may live in South Jamaica, Queens or other parts of my district where affordable housing exist, deserve the right not to be priced out of their homes by landlords trying to increase their profit margins. Strengthening rent regulations will go a long way to ensuring families in New York City and the immediate surrounding counties have an affordable place to call home."

Assemblymember Aravella Simotas said, "Every day it becomes more and more difficult for working and middle class New Yorkers to find affordable housing, especially in New York City. We need to address this crisis promptly by extending and strengthening our rent regulation laws, and we need to do it in the upcoming budget."

Assemblymember Vanessa Gibson said, "For years New York's rent laws have been an essential life support system for millions of families who rely on those laws to protect their access to quality affordable housing. In the Bronx alone we have more than 218,000 units of rent regulated housing, and at a time when families throughout our state are struggling to make ends meet New York should be fully committed to protect tenants from unscrupulous landlords."

Assemblymember Jeff Dinowitz said, "We must strengthen our rent protection laws and we must do it NOW -- in the State budget. Tenant protection laws have been watered down for years. The number of rent regulated apartments in New York city has been steadily and dramatically decreasing to the point where New York will soon become a city only for the very rich and the very poor. We must not miss the opportunity to help make housing more affordable for countless people who want to continue to reside in our great city."

Previously when rent regulations were set to expire and negotiations came down to its final hours, landlords were able to leverage the threat of total expiration to severely weaken the laws protecting tenants. To prevent landlords from running out the clock on rent regulations and decimating New York's stock of affordable housing, legislators urged the Governor to act on his support for expanded rent laws by including the omnibus tenant protection bill (S.2783-A/ Espaillat – A.2674-A/ Lopez) in the State Budget.

Key Components of S.2783-A/ Espaillat – A.2674-A/ Lopez:

- Repeals vacancy destabilization and re-regulates most of the apartments that have been lost through this loophole in the last two decades.
- Allows New York City and suburban municipalities to bring former Mitchell-Lama and Section 8 buildings under rent stabilization.
- Reduces the statutory vacancy bonus from 20% to 10%.
- Reforms preferential rent loophole that enables landlords to increase stabilized rents by hundreds of dollars when tenants renew their leases.

- Reforms the provision that allows landlords to empty entire buildings by claiming they need more than one unit for themselves or their family members.
- Reforms the Major Capital Improvement (MCI) program by making rent surcharges temporary and which end when the landlord has recovered the cost of the improvement.
- Reforms the Individual Apartment Improvement (IAI) program by reducing the monthly rent increase from 1/40th to 1/60th of the cost of the improvement.
- Adjusts high-income deregulation thresholds to more accurately represent inflation.
- Repeals the Urstadt Law which would restore home rule powers over rent and eviction legislation to the City of New York.