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THE SENATE
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HIGHER EDUCATION
INSURANCE
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RULES

**TESTIMONY OF SENATOR ADRIANO ESPAILLAT
NEW YORK CITY RENT GUIDELINES BOARD
PUBLIC HEARING – JUNE 13, 2013**

As Ranking Member of the New York State Senate Housing, Construction and Community Development Committee, and representative for the 31st Senate district, which contains more rent regulated units than any other district in the city of New York, the past and present decisions made by the NYC Rent Guidelines Board (RGB) governing rent increases continues to wield significant influence over the future of our community.

Throughout the worst of the recession faced by our country, and into the beginning stages of its recovery – one market indicator has remained constant: the steady and dramatic increase in market value rents, particularly in Manhattan. This continuing trend underscores that the rental apartment market no longer reflects or is even remotely linked to middle class and working New Yorkers' income, or ability to provide for their families. In light of this undisputed fact, I urge the Board to show leniency to struggling tenants that continue to lose units of affordable housing each year – by instituting a zero percent increase this year.

While there have been some pro-tenant accomplishments in recent years, resulting from the 2011 fight to extend and strengthen our state's rent laws, there is still insufficient support from our government to safeguard the steady and irrevocable loss of affordable housing that occurs each year.

That year, despite a challenging political climate, a Senate Majority beholden to landlord interests and the rent laws coming dangerously close to expiring, tenants were able to achieve a modest improvement in the laws that protect them for the first time in decades. Prior to 2011, it was clear that every new regulation enacted was done so to allow landlords to drive up rents, forcing tenants into the corner they are now in by creating one of the most expensive real estate markets on earth.

The resulting Tenant Protection Act of 2011 raised vacancy and luxury decontrol thresholds, and announced the formation of the Tenant Protection Unit (TPU), allowing some tenants to breathe easier. However minimal changes regarding improvements to individual apartments and entire buildings – the most common technique landlords use to quickly boost rents - were made at that time. There are still many ways in which these laws can continue to be strengthened.

The role of the RGB is a pivotal piece of this conversation, as the annual apartment rental increase is but another factor that makes it harder for low and average income tenants to keep their heads above water. Even with the rental threshold now raised from \$2,000 to \$2,500, without indexing, each year many tenants and rent-regulated apartments are doomed to cross this line and face eviction or deregulation.

As both of the trends – the skyrocketing average market value rent, and the inexorable loss of the housing stock that maintains our New York City’s middle class, I urge you retract your proscribed increase and instead choose to fight for our city’s tenants.