



NEW YORK STATE SENATOR

Velmanette Montgomery

## Senator Montgomery Works to Renew and Strengthen State's Rent Protection System

VELMANETTE MONTGOMERY March 8, 2011

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With rent regulation laws that protect over one million units of affordable housing in New York City and the surrounding counties (Westchester, Nassau, and Rockland) dangerously close to expiring, NYS Senator Velmanette Montgomery and her Senate Democratic colleagues have called for the immediate extension and expansion of tenant protections.

To prevent the expiration of rent regulations and the most significant “tenant tax” in the history of New York, which could force over a million New Yorkers from their homes, Senator Montgomery advocates that the omnibus tenant protection bill (S.2783-A) be included in the SFY 2011-12 budget. She is sponsoring this important legislation with Senator Andriano Espaillat and other Democratic lawmakers.

The laws governing rent regulation are set to expire on June 15, 2011. Between 1994 and 2010, it is estimated that over 300,000 units of affordable housing were removed from rent regulation.

The key components of S. 2783- A are:

- 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.

Senator Montgomery said, "I am proud to join with my colleagues in calling for renewal and strengthening of our rent control laws. New York City is unique because of the variety of our people, and its vibrancy can only be maintained if we can maintain decent housing for all our citizens, at every income level. These economically challenging times mean more people need the protections

of Rent Control and Stabilization more than ever!"

While not perfect, New York State's rent regulation system is by far New York's largest and most important affordable housing program. It enables more than 2.5 million people -- the vast majority of whom are moderate, or low-income -- to live in safe and affordable housing. Rent regulation helps counteract the destabilizing effects of the abnormal market conditions in New York City, where the housing shortages are so severe that the vacancy rate for rental housing is less than three percent. Therefore, in order to keep hardworking, middle-income residents in New York and maintain healthy, stable communities we must continue, and expand upon, the State's rent regulation system.

Key reforms that are necessary to preserve rent regulation over the long term include repeal of vacancy decontrol, the reform the Individual Apartment Improvement (IAI) and the Major Capital Improvement (MCI) systems, and the return of local control over rent regulated housing.

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