



NEW YORK STATE SENATOR

Ruth Hassell-Thompson

## Extending and Expanding Tenant Protections to Avert an Impending Housing Crisis

RUTH HASSELL-THOMPSON March 23, 2011

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

(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, Senate and Assembly Democrats joined with 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 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; disproportionately impacting immigrant and communities of color. Including protections in the budget process will safeguard residents 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."

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.

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