

My name is Zohran Mamdani and I'm here today to talk about the housing crisis across our state.

One of the most troubling issues we face in housing today is the rise of speculative investors treating our neighborhoods like investment portfolios instead of communities.

Last year, housing advocates across the State of New York descended onto Albany to let our elected officials know that we would no longer accept the loopholes in the rent laws that allow too many families to be displaced, too many units to be deregulated, and too many predatory landlords to make unprecedented profits at our expense. After decades of struggle, the voices of the tenant movement won and the state passed, with the help of so many of you in this room, a landmark package of rent laws that are already making a significant difference in our communities. However, unscrupulous landlords have been allowed to continue to use exploitative methods and predatory equity tactics to extract wealth from our communities by focusing on unregulated buildings. This has included making large portfolios out of one and two family homes that until now have served as the building blocks of housing stability and intergenerational wealth building for our communities.

This is why I urge lawmakers here in Albany to pass a Good Cause Eviction law. Good Cause eviction will put in place basic tenant protections for most tenants who currently live precariously in their homes by the good graces of their landlord. Tenants in unregulated housing units will have the right to a lease renewal unless the landlord can present a legitimate reason not to, like persistent failure to pay rent or causing serious damage to a property. As a housing counselor, the agency I worked for regularly met with tenants who were too scared to ask their landlord to turn the heat on during winter or remove mold from the bathroom because they knew that once their lease expired, the landlord could refuse to give them a new one and kick them out of their home. This protection allows tenants to speak out when their rights are being violated without the fear that their landlord will see them as a troublemaker and simply refuse to renew their lease.

This is critical for New Yorkers across the city and the state, and especially for my district in Astoria. Many of the tenants who live in Astoria live in unregulated apartments. Our district has a diverse housing typography including many one-to-four family homes and multifamily buildings. In order to guarantee housing stability in the midst of gentrification, we need a good cause eviction law.

The real estate industry has made a bogeyman of good cause eviction. They say that if we pass this bill it will hurt small homeowners, especially property owners of color. This is a flat out lie. The good cause eviction law already has exemptions for owner-occupied one-three family homes. As a foreclosure prevention housing counselor, I am astutely aware of the challenges that working class homeowners face to maintain their homes. A good cause eviction law will extend basic tenants' rights to millions of New Yorkers while being sensitive to the needs of struggling homeowners. Good cause will be a win for all community members.

Good cause eviction will help stem the tide of the rise of small homes investors. More and more of our housing stock, including one, two, and three family homes are being bought by corporate investors and private equity firms, crowding out homeownership opportunities for our community members. This trend has taken off over the last decade. Many investors see housing as an arena where they can make a killing, and with hardly any constraints on evicting tenants, small homes are a great way to maximize returns. Astoria has been swarmed by these predatory investors. In 2005, about 5% of Astoria's one and two family homes on the market were bought by investors. That number has skyrocketed since. In 2015 the investor frenzy hit its peak with 41% of homes on the market being bought by investors! Today investors are skill muscling out prospective homebuyers with nearly one in three homes on the market in Astoria being bought by investors. This trend mirrors what we've seen across Queens and NYC in recent years.

When the real estate industry says people will suffer if we pass good cause eviction, they want you to believe they are talking about the senior surviving on social security benefits with a two-family home. But we know that's not true. It's the real estate investors and wall street private equity firms that have been buying up all the houses in our neighborhoods who will finally have to abide by basic tenants' rights. Good cause will disrupt their business model, designed to extract as much wealth from our communities as possible with minimal responsibility or accountability.

Another important tool for fighting speculation in our neighborhoods is the flip tax. We have seen an alarming return of this practice in recent years. Flipping homes leads to inflated housing prices, contributes to gentrification, and robs families in the market for homeownership of opportunities for housing stability. In my home borough of Queens, the neighborhood of Jamaica has the unfortunate distinction of being the zip code with the second highest rate of house flipping in the country in 2019 behind Kings County, California. This is causing multiple properties to sit vacant as one speculative investor waits for the next "greater fool" to take the property off his hands, and try to flip it again, all before the proverbial house of

cards comes crashing down. I urge you all to support and eventually pass a flip tax that would work to disincentivize this practice.

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