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Testimony before the Rent Guidelines Board

Re: Proposed rent guidelines for 2023-2024 Lease Renewals

My name is Gale A. Brewer and I am the City Council Member for District 6, which encompasses most of the Upper West Side of Manhattan. Thank you to Chair Nestor Davidson and the members of the New York City Rent Guidelines Board (RGB) for the opportunity to testify.

The Rent Guidelines Board's best course of action is a rent freeze or rent reduction. After a year of rapid inflation, tenants are struggling to both afford housing and have access to food, childcare, utilities, and medical care. This is not a choice New Yorkers should have to make. The New York Eviction Moratorium expired last year, and there are 260,000 eviction filings pending in New York City courts as of March 2023. Increasing the burden on rent-stabilized tenants will also increase the burden on housing courts, further slowing due process for everyone.

In 2022, this Board voted for the largest rent hikes on one-year leases in almost a decade. Since then, our city's affordable housing crisis has only worsened. According to the Community Service Society (CSS), a higher proportion of tenants were threatened with eviction last year than in the past 11 years.

In 2021, the NYS Emergency Rental Assistance Program (ERAP) was launched to help New Yorkers meet their rent payments. The pandemic has subsided since then, but the financial hardships it inflicted are lasting. Tenants are increasingly relying on State aid to pay rent. Yet, the State has abandoned many of these tenants by rejecting their applications. When the ERAP portal closed in January 2023, it had provided financial assistance to only 56% of applicants. The City, too, is largely standing by as tenants fail to pay rent. In the first half of last year, the Human Resources Administration (HRA) rejected more than 22,000 requests for emergency rent relief, or two-thirds of all rental arrears requests.

New Yorkers' cost of living is rising rapidly. In April 2023, the Bureau of Labor Statistics (BLS) reported that food prices rose almost 7% over the past year in the New York Metropolitan area. Many rent-stabilized tenants are living paycheck-to-paycheck. According to the 2021 Housing

and Vacancy Survey, nearly half of rent-stabilized New Yorkers cannot afford a \$400 emergency expense. Rent hikes will cause this percentage to grow.

My office has received urgent calls, emails, and visits from residents experiencing housing insecurity who need financial support. To assist our residents, we host monthly housing clinics, offering free consultation with a housing attorney. In recent years, hundreds of residents have attended and received legal advice. However, in recent months, the legal services attorneys have not been able to take on all cases due to backlogs.

Housing insecurity is not limited to tenants who are on the verge of eviction. Too many tenants in both rent-stabilized and market-rate housing are able to pay rent, but experience harassment by brokers and landlords who seek to create vacancies. This allows landlords to warehouse apartments, keeping affordable housing off the market when the city already struggles with its affordable housing supply. If tenants are in good legal standing, they should not fear retaliation for refusing to move out.

But retaliation is pervasive.

One tenant recently wrote to me about the lack of hot water in their building and the need for various repairs and improvements. However, they were afraid to tell the landlord out of fear of eviction, despite the building being rent-stabilized. They write, "I have lived in NYC for over 30 years and do not have another place to go."

I want to close by acknowledging the challenges facing small-scale landlords. Many small-scale owners have yet to recoup all of their pandemic losses. Over the years, I have heard from owners of small- to mid-sized buildings who shared with me their struggles in trying to meet mortgage payments and building expenses while accommodating tenants who could not pay their rent. The Board found a 9.1% decrease in NOI, clearly underlining the adversity experienced by owners in the late stages of the pandemic. These small-scale owners need assistance. However, support for small-scale owners' hardships must come from sources other than RGB increases on tenants.

I want to add that tenants in SRO's and rooming houses should get 0% increases as they have for decades. There are very few of them left and their buildings are usually converted to hotels, market rents, and now asylum housing giving owners other revenue.

Thank you to the Board for your dedication and thoughtful consideration during this challenging time.