



THE COUNCIL
OF
THE CITY OF NEW YORK
250 BROADWAY
NEW YORK, N.Y. 10007

GALE A. BREWER
COUNCIL MEMBER, DISTRICT 6

TEL: (212) 873-0282
GBREWER@COUNCIL.NYC.GOV

**Testimony before the Rent Guidelines Board
Proposed Rent Guidelines for 2025-26 Lease Renewals
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My name is Gale A. Brewer and I am the City Council Member for District 6, representing Manhattan's Upper West Side and all of Central Park. Thank you to Chair Doug Apple and the members of the New York City Rent Guidelines Board (RGB) for the opportunity to testify today.

It is not this Board's responsibility to ensure that every New York City resident can afford rent. However, members of the RGB are tasked with analyzing the rental housing market's conditions and making annual determinations that keep building owners "whole" and protect renters from an undue rent burden.

My office receives countless frantic calls, emails, and visits from residents who experience housing insecurity and seek support from the government. To assist our residents, we host monthly housing clinics, offering free consultation with a housing attorney.

Many seniors who face rent hikes have applied to become SCRIE/DRIE recipients, a program that would help them avoid unaffordable rent increases. However, eligibility for this program is restricted based on household income. My office is supportive of increasing the annual household income criterion for new applicants from \$50,000 to \$60,000, but this is a State decision. Legislation by State Senator Brian Kavanagh would increase this criteria to \$61,000 and would, going forward, match it to annual increases in the Consumer Price Index. It is my understanding that such a bill passed the Senate but not the Assembly. I passed Reso 0232 calling on the Legislature to pass and the Governor to sign this legislation by the end of the year.

In voting to adopt preliminary guidelines of 1.75-4.75% for one-year leases and 3.75-7.75% for two-year leases, the Board is contemplating increases that are well beyond reason. I ask the Board to reconsider this decision and to vote for a rent freeze.

I urge the Board to continue 0% increases for SRO and lodging house tenants, as they are among the city's most vulnerable residents.

City of Yes, which was passed by the City Council in December of 2024 and which I voted for, will create an estimated 82,000 new homes throughout the five boroughs. The Universal Affordability Preference allows new affordable housing to be added in high-density district, and zoning text changes will expand conversions of office spaces to housing, roll back restrictive parking mandates, and increase transit-oriented development. That's the future—people need relief today.

In Manhattan the median rent was \$4,500 as of April 2025, a new all-time high.¹ Manhattan is unaffordable, and New Yorkers, especially those at lower income levels, are being forced out. Those most likely to leave are our young families: households with children are 112% more likely to leave New York City than households without children.² We have excellent public schools on the West Side, but families can't afford to live here.

City Hall and others are critical of districts like mine for not developing more affordable units. But the criticism should be directed at developers who prioritize high-end luxury developments. A survey my office conducted last year found that of the 630 total units of housing constructed in District 6 since 2022, only 68 units were affordable.

Meanwhile, the overall vacancy rate in New York City is 1.41 percent, and the vacancy rate for affordable apartments is even smaller.³ And rents in New York City are rising as much as seven times faster than wages.

We all want tenants to be able to afford the rent and remain in their apartment. Evictions are not as prevalent as they were after the pandemic, but they continue partly because only 50 percent of those requesting a Right to Counsel lawyer are able to get one; there just aren't enough attorneys available. We all know that tenants are less likely to be evicted if they have representation. RGB should take this situation into consideration.

I acknowledge the struggles of small property owners. 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. In conjunction with a freeze for rents, we must consider the need to reform city-controlled costs for small property owners, such as taxes rates, utility rates, and DEP charges. I am particularly sympathetic to those small landlords who rent solely to rent stabilized tenants; in one case an owner's property taxes and assessments went up 23 percent since 2021 and the current amount exceeds his rent roll. The water bill is up 8.5 percent from last year. There should be a consideration on the expenses for these buildings.

¹ <https://www.elliman.com/corporate-resources/market-reports>

² <https://fiscalspolicy.org/wp-content/uploads/2024/06/FPI-Migration-Pt-2.pdf>

³ <https://www.nyc.gov/site/hpd/news/007-24/new-york-city-s-vacancy-rate-reaches-historic-low-1-4-percent-demanding-urgent-action-new#/0>

Housing providers have seen a 21.7% increase in operating costs since 2019, putting severe strain on rent-stabilized buildings.⁴ RGB's April 2024 to March 2025 Price Index of Operating Costs (PIOC) calculation shows a 6.3% increase in operating costs. It measures taxes, labor costs, fuel, insurance, utilities, maintenance, and admin costs. PIOC does NOT take into account owner's debt service burdens, which can be another added expense. To maintain and grow our supply of affordable housing, we must recognize the challenges these costs create for small landlords.

The majority of building owners in the city have more options and may not be in dire need of the additional income that would be gained from the proposed rent increases. They can take out loans, including financing from HPD, can file for hardship with HCR, and may have reserves to draw on. And as the report this year by the RGB stated – the Net Operating Income (NOI) for rent stabilized landlords increased by roughly 12 percent across the city, which is a 2 percent increase from last year, and is particularly true in the core of Manhattan which is up 23.1 percent.

The more pressing matter is to protect the financial security of our most vulnerable citizens. Those who pay more rent than they can afford do not have many options: they have very few as finding a less expensive apartment is difficult, double/tripling up is a bad option as is cutting back on food and health care in order to make the rent.

Thank you to the Board for your dedication and thoughtful consideration.

⁴ <https://furmancenter.org/thestoop/entry/testimony-of-nyu-furman-center-senior-fellow-mark-willis-before-the-rent-guidelines-board>