



The New York City Council
Testimony submitted by Speaker Christine C. Quinn
June 17, 2010

Thank you for having me here today and giving me an opportunity to speak about a problem that is plaguing so many New Yorkers.

Last year, I asked the Rent Guidelines Board to consider the thousands of New Yorkers who were pulling themselves out of the recession and struggling to make ends meet.

I strongly recommended that the Board implement a rent freeze, keeping these New Yorkers in mind. Even though we have made some progress this year, most New Yorkers are still feeling those same pressures.

About 400,000 New Yorkers are still without a job right now.

Although the number of unemployed New Yorkers is – for the first time in several months – below 400,000, it is still near the all-time City high.

Not to mention that our City’s unemployment rate is significantly higher than both the State’s and national rates. The latest figures show that more than 10 percent of New Yorkers are either still unemployed or looking for jobs.

Combine those figures with the fact that New York City has one of the highest rental prices in the country and we, again, continue to face the same problem: forcing New Yorkers to live at an unsustainable level.

A quarter of all of New Yorkers spend more than half of their income on rent.

Although that number is, at this point, commonly known, I want you take a minute to think about that, and consider how ridiculous that is.

I strongly recommend for this board to rule in favor of a rent freeze. Although it would be unprecedented here in the city, I want to note that the Westchester County RGB approved a rent freeze for one- and two-year leases.

Last year, the board passed a 3% increase and yet what might seem a small, insignificant raise could mean hundreds of New Yorkers not being able to pay their rent that month.

Costs this year for landlords have increased minimally. According to the RGB report, the price index of operating costs saw the smallest increase in years.

But if this board has to approve an increase, I recommend that it be the smallest increase possible.

At least this way, if an increase has to be done, it would provide less of a burden on tenants while still adjusting reasonably for landlords.

Finally, let me address the serious problem facing financially distressed rental buildings.

Since the housing and financial crisis, overleveraged buildings have become a rampant and oppressive problem in our City.

The City Council and HPD have formed a task force with advocates and experts to deal with this – seeking solutions

to individual buildings and broad policy changes at the city, state, and federal level.

HPD estimates that there are almost 5,000 buildings experiencing financial distress due to loans that are not supported by the rent rolls.

And the Citizens Housing and Planning Council estimates that this could be affecting as many as 100,000 apartments.

These buildings are in this situation due to speculation, pure and simple from BOTH landlords and banks.

These reckless loans created by speculative owners should not be a consideration for the RGB in determining rent increases.