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## **Speaker Adams Testimony before the New York City Rent Guidelines Board**

Good afternoon. I am Adrienne Adams, Speaker of the New York City Council. I would like to extend my thanks to Chair Reiss and the members of the Rent Guidelines Board (RGB) for the opportunity to submit testimony regarding potential rent increases for rent-regulated leases.

We are at a pivotal juncture for New York City. The COVID-19 pandemic has exacerbated many of the inequalities in our city, especially affordable housing where a growing number of New Yorkers are at risk of housing insecurity. As the city bounces back from the pandemic, monthly rent prices are hitting record-level highs, with as many as 1 in 5 apartments subjected to bidding wars as demand for living space skyrockets. More than half, or 53%, of renter households are rent burdened, paying more than 30% of their

income toward rent; and of those rent burdened households, almost one-third are severely rent burdened, paying more than 50% of their income towards rent. The effect of this extreme demand, coupled with the City's limited housing supply, cannot be overstated.

There are a little over one million rent regulated units in the City, which provide crucial protection against homelessness and housing instability for millions of New Yorkers. However, many low-income residents and people of color, now find themselves facing the prospect of homelessness. Earlier this year, the eviction moratorium in place since the beginning of the pandemic in 2020 expired. Since then, hundreds of thousands of eviction cases have been filed, requiring many of the New Yorkers facing eviction to go to Housing Court without legal representation. Despite the City's Right to Counsel law, there are simply not enough legal service providers to meet the current need for representation by low-income tenants. The Board must consider this risk of worsening the City's homelessness crisis when deciding the upcoming rent increases,

along with the current context of the economy, rising costs, and inflation.

Although the economy is on the mend, we are still far from an environment where tenants can afford massive increases in rent. Looking at several metrics, including the unemployment rate, sales tax collection, monthly job gains, and tourism, the economy is showing signs of improvement from 2020. In addition, this Board's 2022 Income and Affordability Study reported that total wages have increased by 3.2% in 2021.

However, inflation in the city's metro area has been growing at its highest annual rate in 30 years, at 6.1% last quarter, driving a rise in costs across the board for tenants and landlords. Inflation and price increases in utilities and goods, such as groceries, have clearly outpaced whatever gains New Yorkers have made in their wages. According to a recent report, two thirds of the U.S. population now live paycheck to paycheck, and a 2016 report found that, even before the pandemic, nearly 60% of all New Yorkers were roughly one paycheck away from homelessness.

Allowing substantial increases in rent at this time would endanger far too many New Yorkers who are unable to pay these proposed rent increases. We cannot afford to plunge hundreds of thousands of rent-regulated New Yorkers into the chaos of a housing market that already does not have sufficient supply to meet demand, especially when our city is in the midst of demonstrating remarkable resilience in its recovery efforts. We cannot move forward if it means leaving our most vulnerable behind. Our residents should not be turned out of their homes as we take steps to make deeper investments in affordable housing and establish a robust, comprehensive housing strategy for our city. It is imperative that New Yorkers have the reassurance and security that they can continue to live in their homes so we can make space to discuss how to progress as a city. At the same time, we recognize that any decision by this Board must be in sync with a broader housing affordability strategy that involves all stakeholders, including homeowners and landlords. Therefore, I urge the Board to vote for rental increases at the lowest end of the range.

Thank you again for the opportunity to present testimony today. I, along with the residents of this city, await the Rent Guideline Board's decision.