



THE COUNCIL OF
THE CITY OF NEW YORK

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SPEAKER

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Speaker Johnson Testimony before the New York City Rent Guidelines Board

Good morning everyone. I am Corey Johnson, Speaker of the New York City Council. Thank you 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.

The nearly one million rent-regulated units across New York City have played a critical role in maintaining the City's diversity and affordability. They do this by providing stable, predictable living expenses in a City where gentrification and tenant displacement have increased rental costs at a rate much faster than tenant incomes. Each year, the RGB, after thorough analysis of the previous year's economic data, determines whether to allow a rent increase for these units. This year, however, an unparalleled crisis that continues to unfold has rendered countless New Yorkers more rent-burdened than ever. This year, there cannot be a rent increase.

The novel coronavirus has resulted in an unfathomable number of deaths and economic destruction within our City. The dense and connected nature of our communities appears to have helped the virus to spread very quickly. With little time to prepare and limited assistance, unprecedented steps were taken to stem the virus' reach, including distancing measures that resulted in an effective shut down of much of this City's economy.

The layoffs, furloughs, and firings came fast, and unemployment claims soon overwhelmed the systems intended to process them. Hundreds of thousands of New Yorkers have lost their jobs, and the numbers are steadily increasing. Further, many of those who remain employed are, by virtue of their "essential" job functions, at a heightened risk of exposure to this deadly virus.

Conversely, the cost of living in this City has been relatively unaffected. Rent is still due and groceries must be purchased. However, in just a few short weeks, many New Yorkers lost the ability to cover these basic expenses. The situation is evolving quickly, and there are tepid promises of federal relief and rumblings of the "light at the end of the tunnel." That said, we do not know when or how this nightmare will end.

Further, as the RGB acknowledges in the 2020 Income and Expense Study, we do not know the full economic impact of the COVID-19 virus. Therefore, the data used by the RGB to determine whether a rent increase is

appropriate “does not reflect the current economic condition of the New York City rental market.”¹ We do know, however, that an ever-increasing number of New Yorkers are unable to make ends meet, let alone endure an increase to their cost of living.

This year, I urge the RGB to freeze rents for all renewal leases, including one and two year leases. As the devastating impacts of this virus continue to ripple across the City, a rent increase would be unconscionable, and, for many New Yorkers, insurmountable. As the City continues to explore all avenues to help New Yorkers weather this storm, a freeze for rent-regulated units would be an invaluable way to mitigate the shockwaves of this virus and help the City to survive and recover.

Now more than ever, New Yorkers deserve the promise of stability provided by rent-regulated housing, and I look forward to the RGB’s determination. Thank you again for the opportunity to present testimony before you today.

Sincerely,

A handwritten signature in black ink, appearing to read 'CJ', with a long horizontal stroke extending to the right.

COREY JOHNSON
Speaker

¹ 2020 Income and Expense Study, Rent Guidelines Board (April 15, 2020), <https://rentguidelinesboard.cityofnewyork.us/wp-content/uploads/2020/04/2020-IE.pdf>.