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# When rents rise, the city falls

## BE OUR GUEST

BY DAVID JONES

**W**ith all the attention garnered by the historic passage of same-sex marriage legislation last week in Albany, it nearly went unnoticed that lawmakers renewed New York's vital rent stabilization law.

The updated law features seemingly modest but necessary improvements. For example, in order to legally destabilize an apartment's rent, landlords will first have to legally raise rents on them to \$2,500 a month, instead of just \$2,000. According to policy analyst Charles Brecher of New York University and the pro-business Citizens Budget Commission, the new \$2,500 ceiling will keep 1,500 apartments per year under regulated rent.

But an even more important improvement is a reduction in the rent increases allowed while apartments are vacant. Landlords will now be able to take only one 20% "vacancy bonus" increase per year per apartment, and they will be able to raise rents an additional dollar for every \$60 in individual apartment improvements instead of every \$40.

Unfortunately, the latter change applies only to larger buildings, leaving many low-income families and neighborhoods out of any such protections.

Meanwhile, the city's Rent Guidelines Board, which sets allowable rent increases

for stabilized apartments under state law, voted on Monday night to allow 3.75% rent increases for one-year leases and 7.25% on two-year leases that commence on Oct. 1 or later — much higher than usual increases that will hit low- and middle-income New Yorkers hard at a time when incomes are stagnating or altogether vanishing.

As one city resident complained, "They're chasing us out of our own city. Now I feel that it's economic injustice. I'm considering moving for the first time." Many others surely share this sentiment.

Nevertheless, Albany's changes to the law will help slow the rate of destabilization while keeping rents reasonable for new tenants in apartments that remain stabilized.

Currently, the stock of about 1 million rent-stabilized apartments is dwindling at a rate of somewhere between 13,000 and 40,000 apartments a year, and even rents on apartments that remain regulated are rising faster than tenants' incomes. This undermines the ability of the rent law to preserve affordability, but the new changes move the system back in the right direction after decades of weakening amendments.

The increase in the threshold for lifting rent stabilization, however, will not have as

large an effect as it might superficially appear. A \$2,500 rent today is still far lower, in relative terms, than a \$2,000 rent was in 1993, when vacancy destabilization was first created. To restore the effect of that original threshold, the Legislature would have had to raise the threshold to more than \$5,000 a month.

What the \$2,500 threshold will do is postpone the impact of lawful destabilizations for a few years in those neighborhoods that are now just beginning to be destabilized. Unfortunately, it will have relatively little effect in other neighborhoods — such as Harlem, to name one — where destabilization is already well underway. This legislation also does nothing to make it harder for landlords to illegally claim apartments as destabilized, without actually making the improvements to justify a rent increase. Anecdotally, this appears to be very common.

And given that thousands of apartments each year lose their rent-regulated status, the new law is saving a small fraction of the number being lost. We're fighting a flood with paper tissues. More needs to be done to allow New Yorkers to stay in their homes.

Because the Legislature has not taken sufficient action to slow the loss of rent-stabilized apartments, it is now more important than ever for the New York State Homes and Community Renewal agency to take more proactive steps to enforce the laws so that illegal destabilization does not occur.

The head of the agency's housing preservation office recently described the destabilization process as "an honor system for owners." That's simply not enough of a protection. At a time when the city's stock of affordable housing is dwindling rapidly, far greater measures have to be taken.

Most importantly, the agency must subject both vacancy rent increases and vacancy destabilization to a credible system of enforcement. The surest way to accomplish this is for Gov. Cuomo and Homes and Community Renewal Commissioner Darryl Towns to increase enforcement to ensure that provisions of the new law are being met. Otherwise, landlords will find ways to raise rent, and New Yorkers will continue to suffer from the decreasing affordability of housing. We cannot allow that to happen.

*Jones is the president and CEO of the Community Service Society of New York.*

**We must do more  
to battle illegal and  
unreasonable hikes**