

La Nueva Mayoría

Rent Regulations Benefit Low-Income Families

By David R. Jones June 16, 2011

Between 2000 and 2007, New York City lost over 345,000 apartments affordable to low-income households primarily because of vacancy decontrol and excessive rent increases. This finding, in the recent Community Service Society report, "New Housing Emergency," reveals that the supply of rent stabilized housing in the city is quickly declining.

Rent regulation laws protect nearly three million New York City tenants. The primary purposes of rent regulations are to ensure fairness and to promote stability in a tight housing market. Rent regulated tenants pay more affordable rents as a result of the limit on rent increases. Rent regulations protect tenants against arbitrary eviction in retaliation for those who advocate for better conditions in their apartments and buildings.

Rent regulations benefit low-income families - the median income of a rent-regulated tenant is only \$38,000. Well over a million people with incomes below twice the poverty line live in rent-regulated housing. Regulated apartments constitute their largest source of housing, far more than live in public and subsidized housing combined. Sixty percent of residents in rent-regulated apartments are people of color.

The loss of affordable rent stabilized apartments occurs when a vacant apartment's monthly rent is \$2,000 or above. Then it can be taken out of rent protection forever. Most apartments become subject to vacancy decontrol because of rent increases during vacancy.

Some of the rent increase mechanisms require landlords to spend money on apartment improvements, but others do not. The cost to the landlord is often very low compared to the advantages of decontrol. And landlords have a very large economic incentive to bring rent up to \$2,000 to meet the decontrol threshold.

Some developers say that rent regulations stifle free-market impulses to build housing. But rent control does not hamper the building of new housing construction because rent regulations do not apply.

The city of Boston decided to end rent control a few years ago. Apartment rents were set at market levels. The result was that working-class families, faced with soaring rents, are moving out of Boston, and homelessness and overcrowding are increasing. We don't want that to happen in New York City.

A recent claim by the Rent Stabilization Association (RSA), a landlord lobby group, that the rate of loss of New York City's rent stabilized apartments has slowed is simply untrue. Research by the Community Service Society has shown that rent stabilized apartments are becoming less available in gentrifying neighborhoods of upper Manhattan, Brooklyn, and Queens, and in historically low-rent areas in every borough. Since 1994, landlords have been able to destabilize vacant rent-stabilized apartments by making enough improvements on them to raise the legal rent to \$2,000 and then treating the apartments as unregulated. Each year, landlords voluntarily report the destabilization of thousands of apartments, but it is very likely that an even greater number are destabilized but never reported.

The state's Black, Puerto Rican, Hispanic & Asian Legislative Caucus and other advocates are absolutely correct to demand a halt to the process of "destabilization" that is depriving the city of a needed stock of affordable housing. Without rent regulations, New York would quickly devolve into a place populated by the very wealthy and the very poor and that would be a disaster for the city. Rent regulations are our best affordable housing program. And they help to ensure that New York remains a diverse, stable city.

David R. Jones is president and CEO of the Community Service Society (CSS), the leading voice on behalf of low-income New Yorkers for over 165 years. For over 10 years he served as a member of the board of directors of the Puerto Rican Legal Defense and Education Fund. The views expressed in this column are solely those of the writer.