

Low-Income Renters Threatened by Rent Decontrol

Next Wednesday, June 15, rent regulations that protect nearly three million New York City tenants will expire unless the state Legislature takes action. Rent regulations comprise rent stabilization and rent control. They are an effective and appropriate legislative response to the extreme power imbalance between landlords and tenants caused by the chronic housing shortage and resulting high rents in New York City and the suburban counties.

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 are the best protection against arbitrary eviction in retaliation against tenants who advocate for better conditions in their apartments and buildings. Rent regulations prevent displacement, strengthening social ties in neighborhoods and ensuring that tenants can share in the benefits when their neighborhoods improve.

Contrary to claims by some developers, rent regulations don't dampen new construction - developers can build new housing, and the rent regulations don't apply. We are told that rent regulations serve to benefit the rich, while in fact 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.

Vacancy Decontrol

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 became subject to vacancy decontrol because of rent increases during vacancy.

Because other provisions allow large increases during vacancies, any rent-stabilized apartment can be deregulated upon vacancy, even when the previous rent was far below the \$2,000 threshold. 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.

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.

Documented Losses

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.

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 without reporting. This does not tell us anything about the true rate of loss of rent-stabilized apartments.

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 while protecting tenants from arbitrary and unfair evictions. The Legislature must not only extend the protections of rent regulations. It must also strengthen these laws to prevent the continued decline in the number of affordable apartments. That should include the repeal of vacancy decontrol.

Rent regulations ensure that New York will continue to provide a home for a level of resident diversity that makes the city unique in America. Without rent regulations, New York would quickly devolve into a place populated by the wealthy and the poor and that would be a disaster for the city. Rent regulations aren't just our best affordable housing program. They are something much deeper: a policy for 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 168 years. The views expressed in this column are solely those of the writer. The Urban Agenda is available on CSS's website: www.cssny.org.

From the New York Amsterdam News
June 9 – June 15, 2011