

**Testimony of the New York City Department of Housing Preservation and Development to
the New York City Council Committee on Housing and Buildings**

**2021 Housing and Vacancy Survey (HVS) and the Continuation of
Rent Control and Rent Stabilization in New York City**

Tuesday, June 7, 2022

Good morning, Chair Sanchez, and members of the Housing and Buildings Committee. I am Brendan McLaughlin, Deputy Commissioner for Policy and Strategy at the Department of Housing Preservation and Development (HPD).

I am joined by colleagues Dr. Elyzabeth Gaumer, HPD's Chief Research Officer, and Lucy Joffe, Assistant Commissioner for Housing Policy.

I would like to thank the Committee for welcoming us today to testify in support of Preconsidered Resolution T2022-1530 and Preconsidered Introduction T2022-1528 and to discuss initial findings from the 2021 New York City Housing and Vacancy Survey (NYCHVS). HPD submitted these findings to the Council on May 16, 2022.

The NYCHVS provides critical data that informs our understanding of the city's housing stock and establishes the city's net rental vacancy rate, which the Council must consider when determining if New York City is in a state of housing emergency. Pursuant to State law, a housing emergency is determined based on the supply and condition of housing accommodations within a municipality and an identified need for regulating and controlling residential rents. The continuation of rent stabilization and rent control in the city depends on a determination by the Council that a state of housing emergency still exists. Local law also requires that a survey be conducted to examine the supply of housing, the condition of housing, and the need for continuing regulation and control of residential rents and evictions.

The NYCHVS is a representative survey of the City's housing stock that has been carried out about every three years since 1965. It is the longest running housing survey in the country and is of critical importance for understanding how our city is changing and what we can and should do to support improvements in policy and programming. It is conducted by the United States Census Bureau under contract with the City of New York. Interviews for the current survey were conducted between February and June 2021, making it the most up-to-date representative data on New York City currently available.

As you know, the Council must pass the Resolution and Introduction being heard here today between 30 and 60 days from receiving findings of the NYCHVS, and the Mayor must sign the legislation before July 1, 2022. Simply put, they are what make the extension of the rent control and rent stabilization laws possible.

In 2021, the NYCHVS underwent a major redesign and added a new module focused on the impact of the COVID-19 pandemic. The redesign focused on five key areas:

- Improving the validity of how the NYCHVS measures key features of the city’s housing stock and population;
- Ensuring the NYCHVS sample is able to adequately speak to all of New York City’s various types of housing and represent the population living in different types of units;
- Modernizing procedures and protocols, employing new technology and reducing the burden placed on respondents and fieldworkers;
- Ensuring representation among hard-to-reach communities through enhanced language access and inclusive respondent-facing materials and messaging; and
- Expanding the survey questionnaire on important topics, including financial stability.

In addition, through the new COVID-19 module, the NYCHVS collected information about New Yorkers’ experiences during the COVID-19 pandemic, including its disparate impact by various sociodemographic groups, protected characteristics, and housing conditions. While much of the City’s pandemic response is oriented to the urgency of how we can help New Yorkers who are at risk now, the NYCHVS is one of the tools we have to help us better plan for the future.

The findings from this module show the intense strain that many New Yorkers—particularly the lowest-income New Yorkers—faced during the first 18 months of the pandemic. One in 10 renter households faced food insecurity. One in 8 renter households reported missing at least one rent payment. Of these, just under 30% reported still being in arrears at the time of the survey.

As Dr. Gaumer’s testimony will highlight in detail, the findings from the 2021 NYCHVS are clear: New York City continues to face a housing crisis that affects our residents in various ways – from paying too much of their income toward rent each month, to feeling stuck because of the lack of vacant affordable apartments, to facing pests, mold, and heat outages in their homes. Despite the City’s unparalleled investments in creating and preserving affordable housing, a continued shortage of housing options contributes to our ongoing affordability and homelessness crisis. More than half of New York renters were rent burdened – which means they are paying more than 30% of their income toward rent – which is consistent with the highest levels on record over the past decade.

Within our housing crisis, long-standing renter protections from the rent control and rent stabilization laws have been vital resources for millions of households over the years; in 2021, approximately one million New York City households benefited from the protections that these laws provide.

Rent stabilization, in particular, provides the largest source of low-cost housing in the city, and offers critical tenant protections that enable residents to remain in their homes and exercise the choice to stay in their neighborhoods. Rent stabilization also supports our affordable housing work, where HPD adds to the stock of rent stabilized housing through many of our housing programs, which provides an extra layer of protection for those renters.

Taking these and many other findings into consideration, we believe New York City continues to experience a housing crisis. The shortage of housing is particularly acute for lower income households who face the lowest vacancy rates and a shrinking stock of lower cost units. It is

clear from the 2021 NYCHVS that we must not only continue to add to the overall stock to address our emergency, but specifically add lower cost units and work to retain existing units with low rents to support New Yorkers who face continued affordability challenges.

Before turning the microphone over to the Chief Research Officer, I want to emphasize my gratitude to Lyz and the entire team that ran the NYCHVS through truly trying circumstances over the past three years; to the hundreds of New Yorkers who worked as Census field representatives; and to the thousands of New Yorkers who dedicated their time and shared personal information. The people of the City of New York – and especially the million households who live in rent-controlled and rent-stabilized housing – are deeply indebted to their service.

I am Elyzabeth Gaumer, Chief Research Officer at HPD. Thank you for the opportunity to testify before the Council today.

HPD submitted selected initial findings of the 2021 New York City Housing and Vacancy Survey to the Council on May 16, 2022. Our testimony today will present the main findings from the report, including key statistics on the supply of housing, its condition, and the continued need for the regulation of residential rents and evictions. As with past cycles of the NYCHVS, more detailed analysis will be made available over the coming months and the Census Bureau plans to release the microdata later this summer for analysis by the range of policymakers, policy researchers, and academics who rely on the NYCHVS for their work.

The US Census Bureau conducted the survey from February through the middle of July in 2021. Although the NYCHVS is the most up-to-date, representative information we currently have available, it is important to note that it reflects this point in time. The estimates we share today, as well as the information provided in the report, are based on that time period.

In 2021, there were 3.644 million housing units. This is the largest stock recorded since the NYCHVS began in 1965 and represents a net increase of 175,000 units since 2017.

The 2021 New York City Housing and Vacancy Survey reports the net rental vacancy rate to be 4.54 percent, below the 5 percent net rental vacancy rate threshold set forth in state and local laws as the condition determining that a housing emergency continues to exist. The citywide net rental vacancy rate indicates that although supply has continued to increase, it has failed to keep pace with the continuing demand for housing.

When we break the vacancy rate down further, we see significant variation in the rental inventory.

Manhattan had a significantly higher net rental vacancy rate than any other borough at 10.01 percent. The net rental vacancy rate was 4.15 percent for Queens and Staten Island combined, 2.73 in Brooklyn, and less than one percent in The Bronx.

There was an acute shortage of housing among lower-cost units. In 2021, the median rent across all occupied housing was \$1,500. The vacancy rate for units with asking rents below this level

was less than one percent. Units with asking rents at or above \$2,300 had a 12.64 percent vacancy rate.

In 2021, there were 353,400 units that were vacant but not available for one or more reason. Of those that were unavailable for only one reason (a total of 244,400) by far the most prevalent reason for being unavailable was “held for seasonal, recreational, or occasional use” with 102,900 units in this group.

In 2021, there were 2.274 million renter-occupied and vacant, available rental units during the survey period. Just over one million of these were rent stabilized, representing 42 percent of the active rental stock. This is statistically the same as in 2017.

There was a similar share of rental units that were what the NYCHVS refers to as private, unregulated units. These units are commonly referred to as “market rate” because their rents are not regulated. These include units in newer buildings that were not subject to rent stabilization as a result of participation in an affordable housing or tax incentive program, units in smaller buildings where rent stabilization did not apply, and units that were previously decontrolled and not subject to rent stabilization by some other means. Private, unregulated rental units also generally included units in condominium and cooperative buildings that were renter-occupied, either as a sponsor unit rented after construction or conversion or as a sublet by the unit’s owner.

Each cycle of the NYCHVS shows the net change in units from the prior survey—that is, the cumulative result of both units that have left the stock and those that have been added. Over time, the NYCHVS has shown minimal net change in the rent stabilized stock and a net increase of private, unregulated units.

The NYCHVS measured housing conditions through self-report of the current occupants regarding maintenance deficiencies. In 2021, 14 percent of occupied units reported three or more deficiencies.

Although the share of households experiencing a heating or toilet breakdown decreased in 2021, there was an increase in the prevalence of most individual deficiencies, including presence of rodents, leaks, cracks and holes, broken plaster or peeling paint, and additional heating required. This upward trend was across all housing types, but we saw significant disparities in the tenant population living with these conditions. New Yorkers of color, and particularly Black and Hispanic New Yorkers, were much more likely to experience lower quality housing than White New Yorkers.

Overall, 8 percent of all New York City households were living in overcrowded conditions. 12 percent of foreign-born households were crowded. The prevalence was highest for families with children, where one in four households were crowded.

The 2021 NYCHVS showed that we continue to face a severe affordability challenge. According to the 2021 NYCHVS, the median household income for renters was \$50,000. That’s equivalent to a gross monthly income of \$4,167.

Using standard federal guidelines that suggest a household should pay no more than 30 percent of gross income on housing costs, the typical renter household could afford to pay \$1,250 in rent and utilities.

But the median contract rent in 2021 was \$1,500. And it was \$1,650 when we factor in the cost of utilities, which are also high. Moreover, the median asking rent of units available for rent was \$2,750—well above the \$1,250 the typical household could afford to pay. To be able to afford the typical unit available for rent would require a household income of at least \$110,000 a year, more than double that of the typical New York City renter.

What results is a high prevalence of rent burden across nearly every income level. In 2021, we found that more than half of renter households were rent burdened, or paying more than 30 percent of income for housing each month. More than a third were severely burdened or paying more than 50 percent of income for housing.

The NYCHVS helps us to identify the components of this challenge. One side is rent burden based on the intersection of housing costs and incomes. But another critical component is the overall composition of our rental stock. Between 2017 and 2021, we saw a net decrease of about 96,000 units renting for less than \$1,500 and a net increase of 107,000 renting for \$2,300 or more.

This is not a recent phenomenon. Over the last decade, from 2011 to 2021, we saw an even larger net loss of the lowest cost units as rents shifted upward. The graph shows the net change in the number of rental units by rent level in 2021, relative to 2011 after adjusting for inflation. The negative bars to the left show where we have lost lower-cost units and the bars to the right show the net increase in higher-cost units. Over this time period, there was a net decrease of about 340,100 units with rents below \$1,500 and an increase of just over 335,400 units with rents of \$2,300 or more.

When we examine the change in rents over the last 30 years we see a dramatic shift in rental costs, after adjusting for inflation. This graph shows the absolute number of units with rents of less than \$1,500 and those with rents of \$2,300 or more from 1991 to 2021. Over this period, New York City saw the loss of 608,700 units renting for less than \$1,500 and a gain of 431,200 more units renting for \$2,300 or more. All estimates are inflation-adjusted and shown in 2021 dollars.

The affordability challenge faced by everyday New Yorkers continues unabated. When we examine the share of income spent on rent for the typical New Yorker all the way back to the first NYCHVS in 1965, we see a clear increase over time. In the last decade, the level of rent burden has remained constant where the typical New Yorker, regardless of income, is paying more 30% of their pre-tax income on rent.

As Deputy Commissioner McLaughlin shared earlier in our testimony, New York renters struggled financially during the first year and a half into the pandemic. The NYCHVS showed that households that were rent burdened had lower confidence that they could cover an emergency expense. They were also more likely to have missed at least one rent payment and to

still be in arrears at the time of the survey, placing them at risk of losing their home or forgoing other critical expenses to make ends meet.

In summary, there is a net rental vacancy rate of less than 5 percent overall, and a severe shortage of lower-cost units. Rents continue to increase. The rent burden faced by most New York City households remains at persistently high levels, leaving households vulnerable to financial instability across multiple dimensions.

Thank you for the opportunity to testify. We are happy to answer any questions.

2021 NYCHVS Selected Initial Findings

Testimony of the New York City Department of Housing Preservation and
Development to the New York City Council Committee on Housing and Buildings

June 7, 2022

Elyzabeth Gaumer, PhD
Chief Research Officer
Department of Housing Preservation and Development

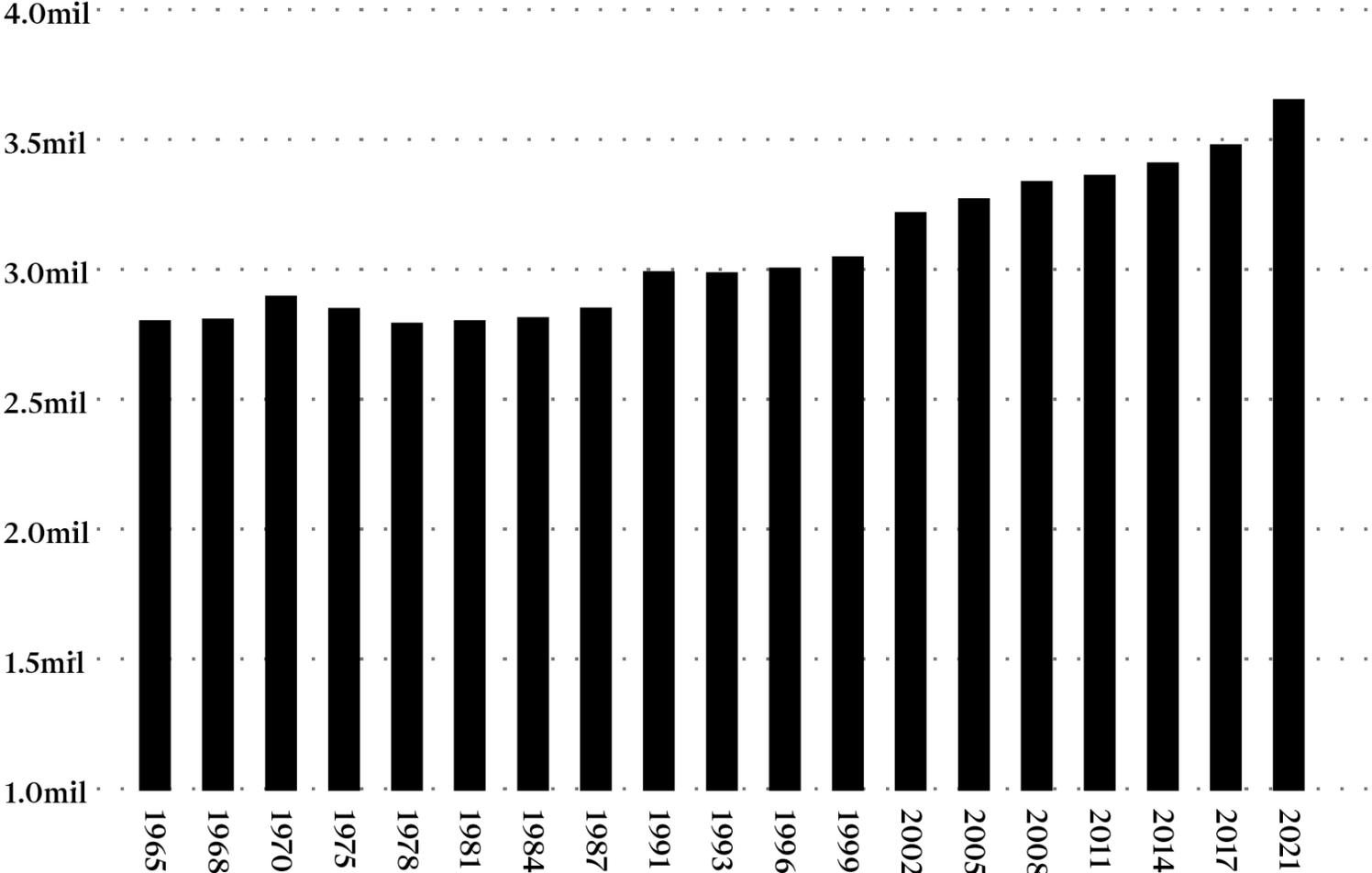
The U.S. Census Bureau reviewed all of the 2021 NYCHVS estimates that appear in this report for unauthorized disclosure of confidential information and approved the disclosure avoidance practices applied to this release. CBDRB-FY22-199 and CBDRB-FY22-POP001-0101.

Data sources: New York City Housing and Vacancy Survey (NYCHVS), 1965 - 2021. US Census Bureau / NYC Dept of Housing Preservation and Development. See 2021 NYCHVS Selected Initial Findings for methodology and technical definitions.

NYCHV[®]

NYC continued to add to the overall supply of housing

Total Housing Units: 1965-2021

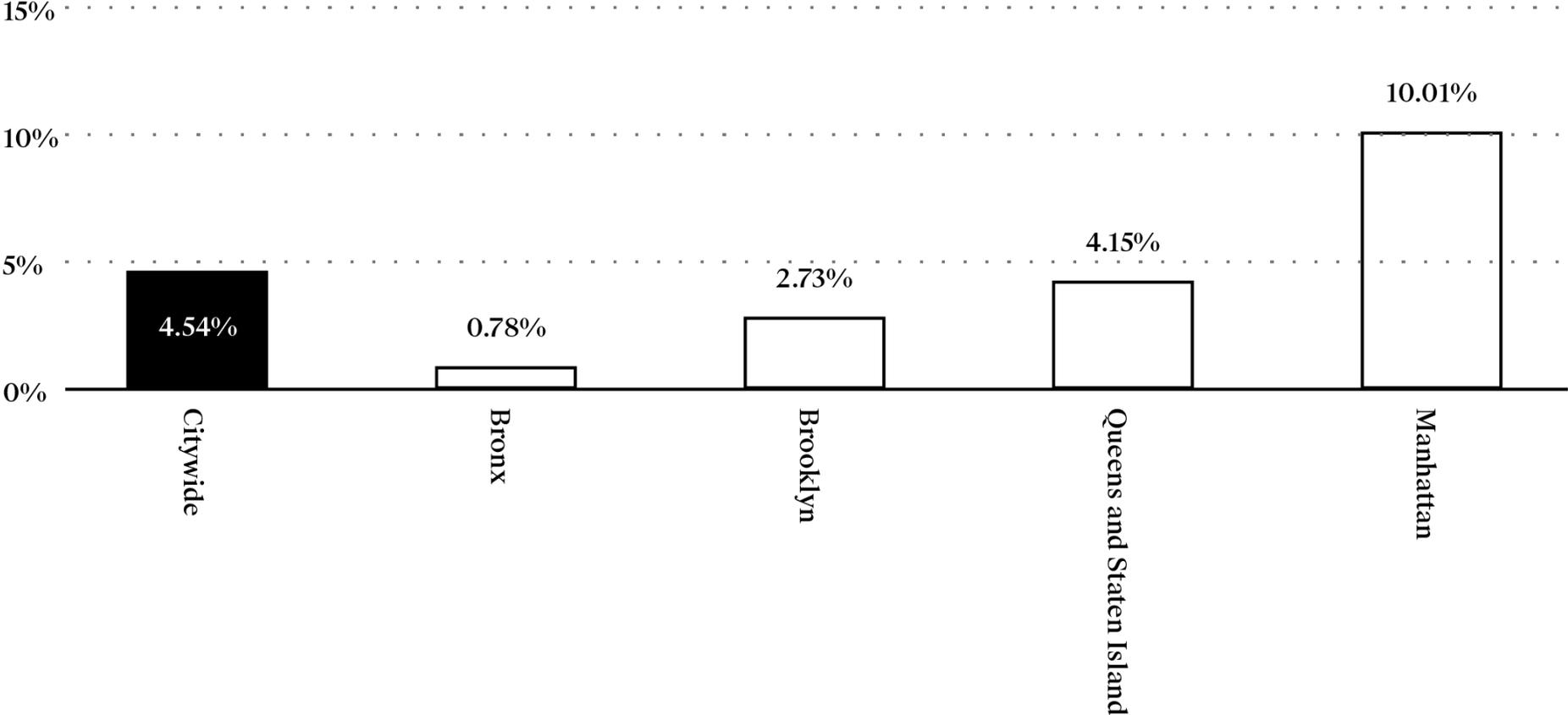


New York City Housing and Vacancy Survey

Adapted from Figure 1, 2021 New York City Housing and Vacancy Survey Selected Initial Findings

The citywide net rental vacancy rate of 4.54% varied by borough

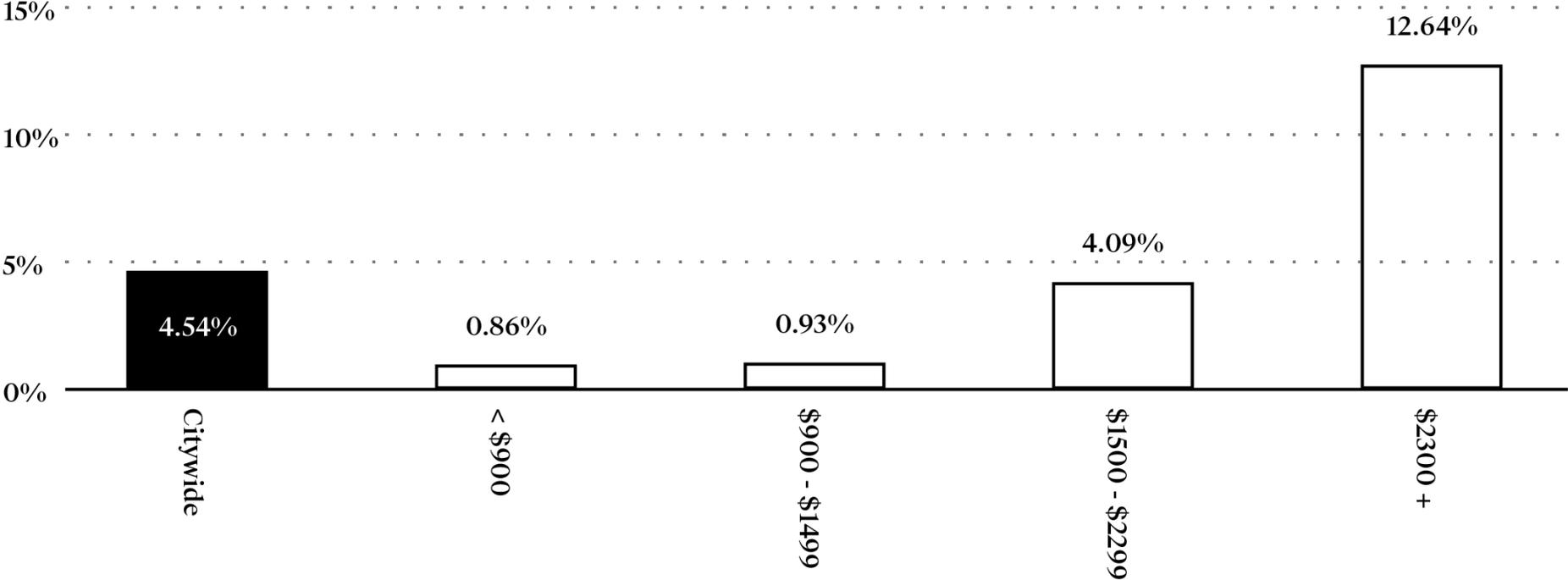
Net Rental Vacancy Rate by Borough



See Table 9, 2021 New York City Housing and Vacancy Survey Selected Initial Findings

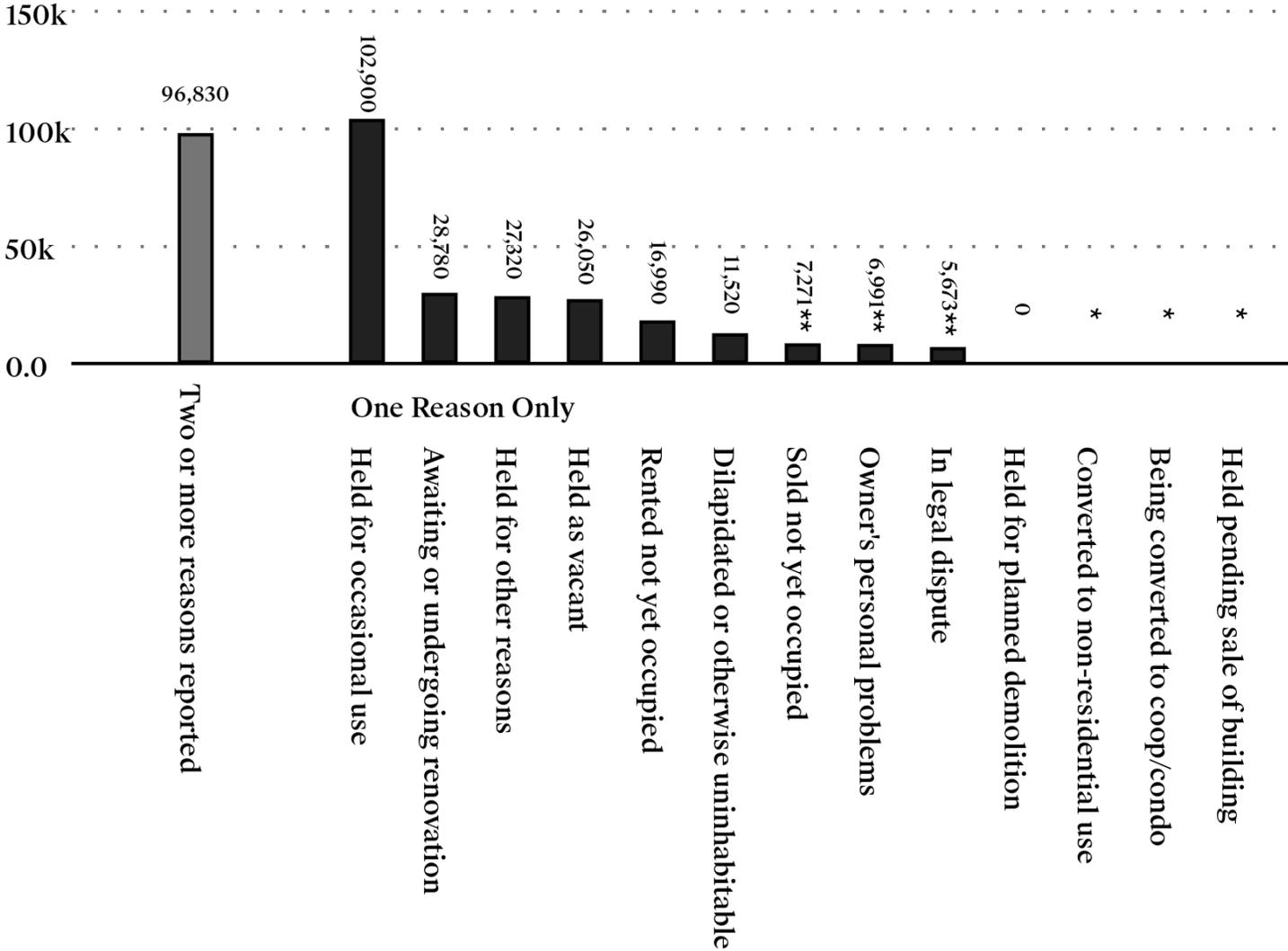
There was a severe shortage of lower-cost units

Net Rental Vacancy Rate by Asking Rent



Adapted from Figure 7, 2021 New York City Housing and Vacancy Survey Selected Initial Findings

A large number of units were vacant but not available for rent or sale

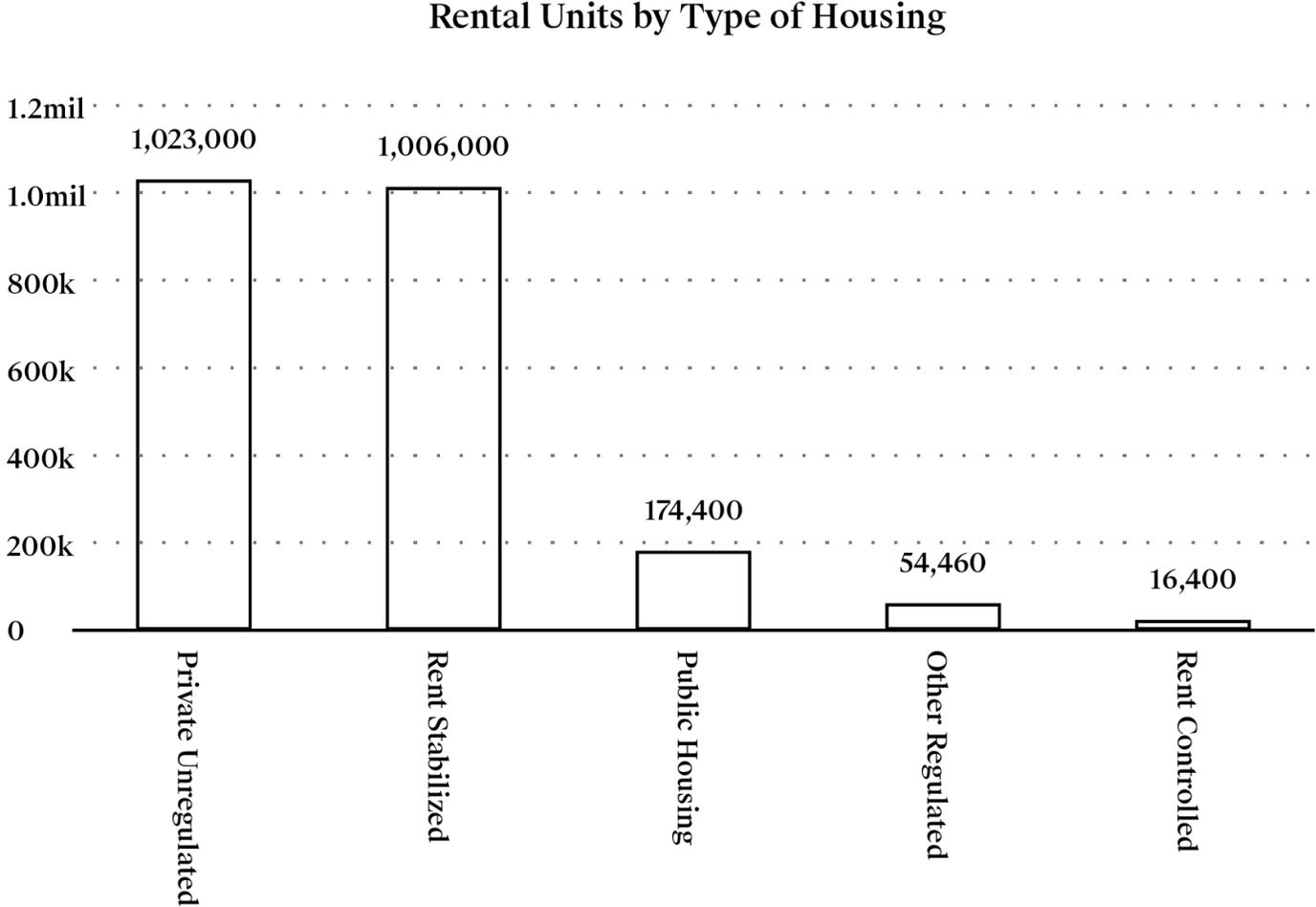


New York City Housing and Vacancy Survey

Adapted from Figure 11, 2021 New York City Housing and Vacancy Survey Selected Initial Findings

* Estimate is suppressed following US Census Bureau disclosure avoidance practices.
 ** Estimate is subject to a large amount of sampling variation and therefore should be interpreted with caution

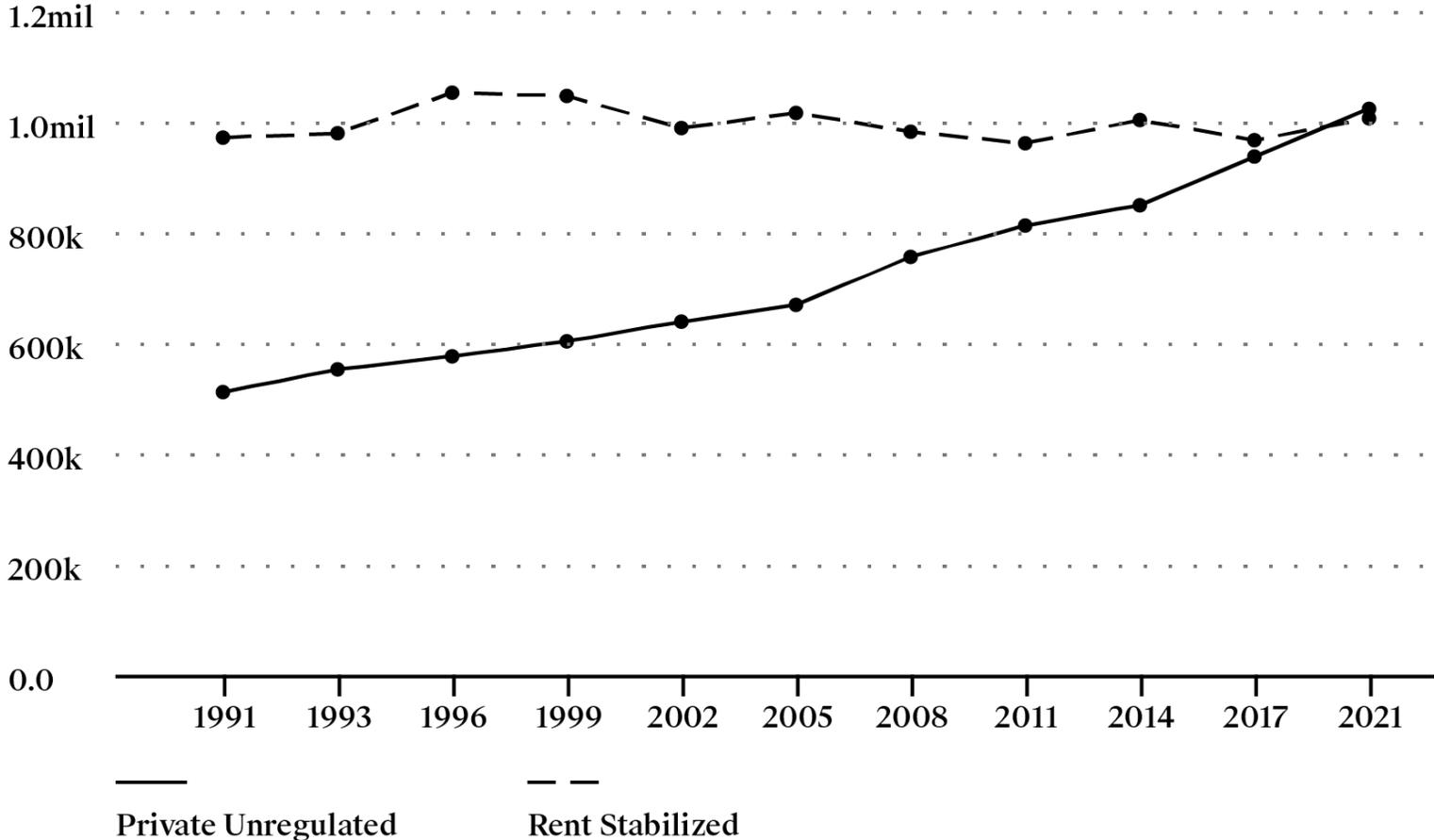
There were about 1 million rent stabilized units that were part of the active supply of housing



See Figure 2, 2021 New York City Housing and Vacancy Survey Selected Initial Findings

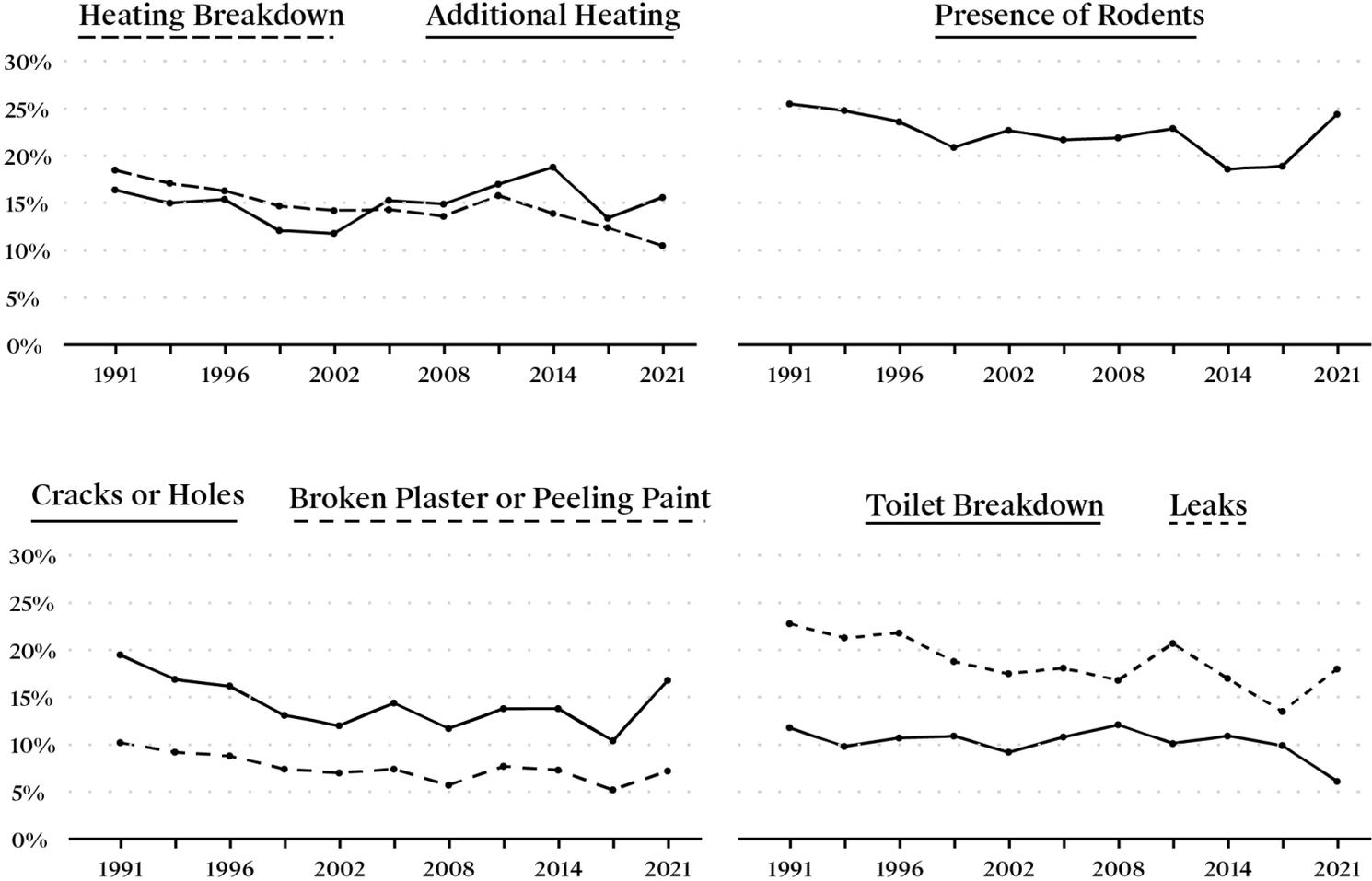
Over 30 years, the number of private, unregulated units has doubled

Rent Stabilized vs Private Unregulated Rental Units: 1991-2021



In 2021, the prevalence of maintenance deficiencies increased across all housing types

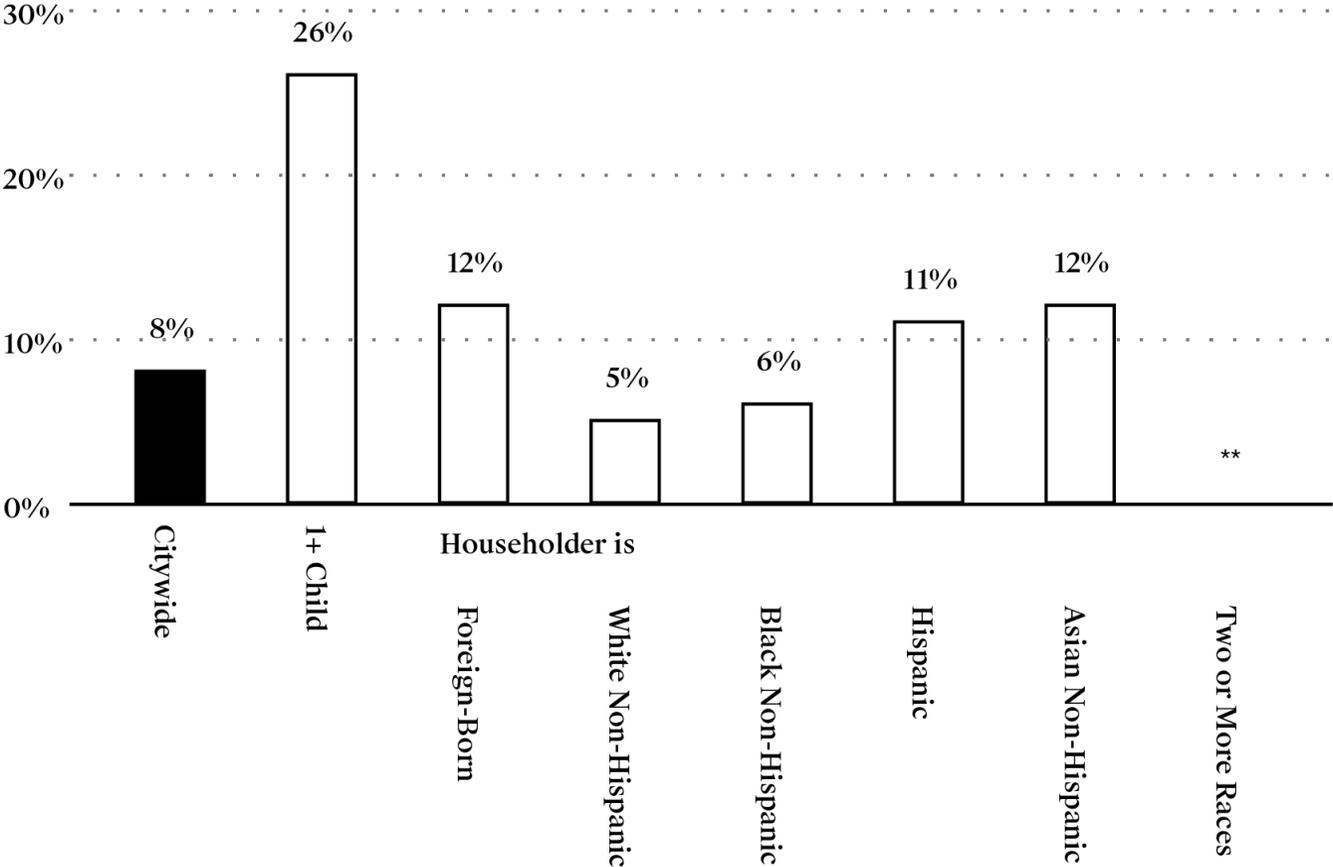
Prevalence of Maintenance Deficiencies: 1991 - 2021



See Figure 13, 2021 New York City Housing and Vacancy Survey Selected Initial Findings

The prevalence of crowding was highest among families with children

Crowding by Household Composition



There is a continued mismatch between incomes and rents

The typical renter household in NYC earns...

\$50,000

That means their monthly income is...

\$4,167

There is a continued mismatch between incomes and rents

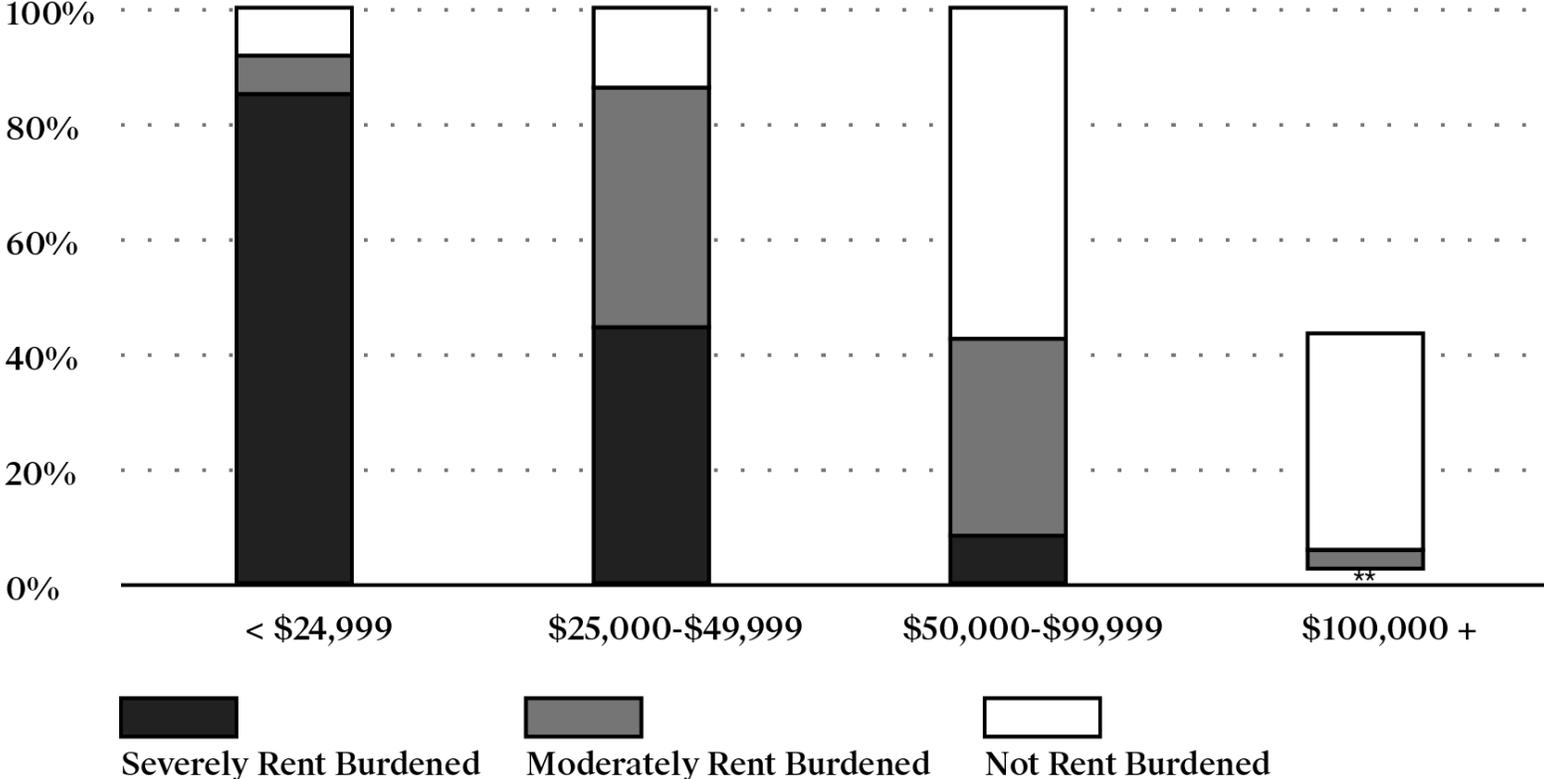
The typical renter household in NYC earns...	\$50,000
That means their monthly income is...	\$4,167
Maximum rent that is considered affordable, according to federal guidelines...	\$1,250

There is a continued mismatch between incomes and rents

The typical renter household in NYC earns...	\$50,000
That means their monthly income is...	\$4,167
Maximum rent that is considered affordable, according to federal guidelines...	\$1,250
Median contract rent in 2021:	\$1,500
Median gross rent (factoring in utility costs):	\$1,650
Asking rent of units available for rent	\$2,750

In 2021, one half of New Yorkers were rent burdened; one in three were severely burdened

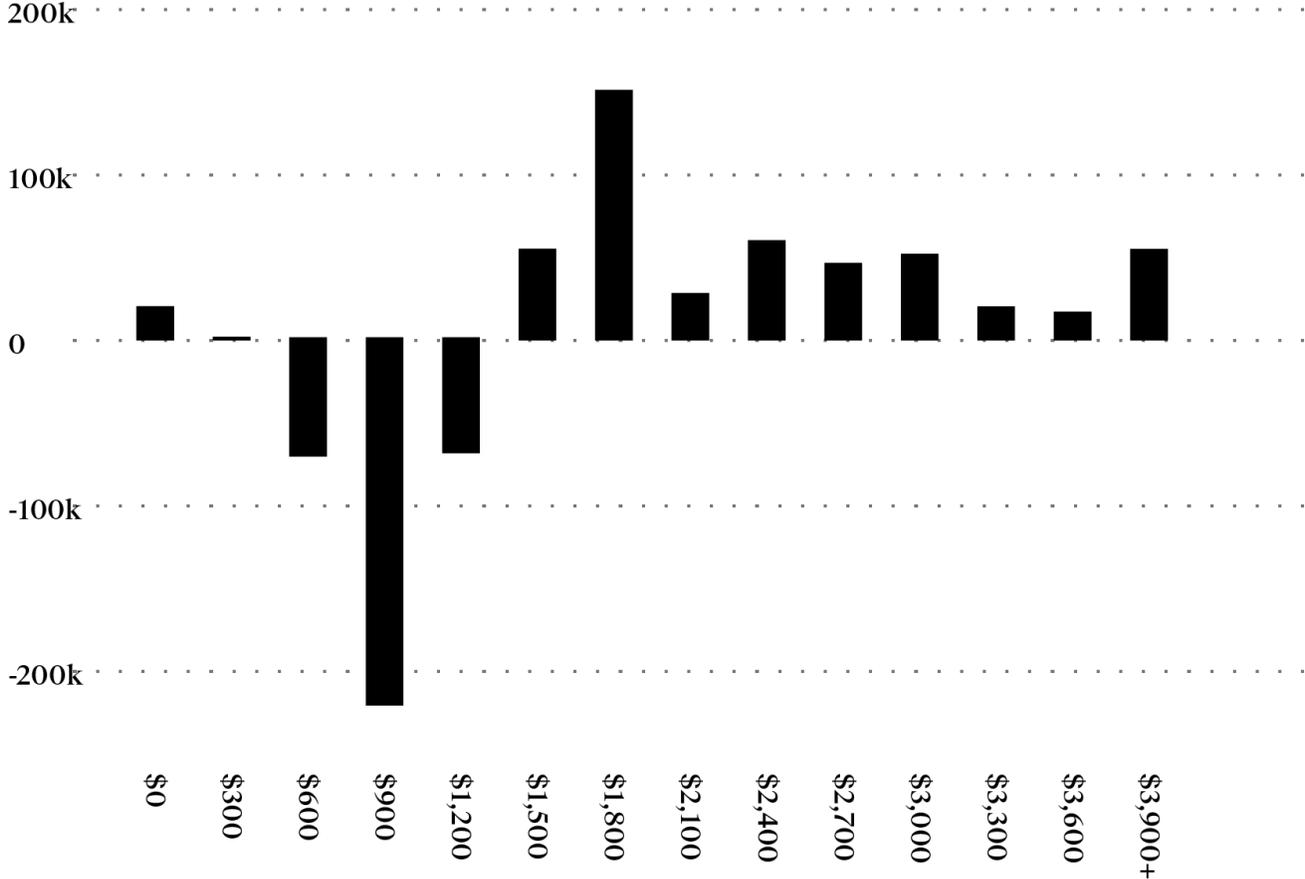
Rent Burden by Household Income



* Estimate is suppressed following US Census Bureau disclosure avoidance practices.
 ** Estimate is subject to a large amount of sampling variation and is therefore not reported

In the past decade, New York City has seen a net loss of lower-cost units

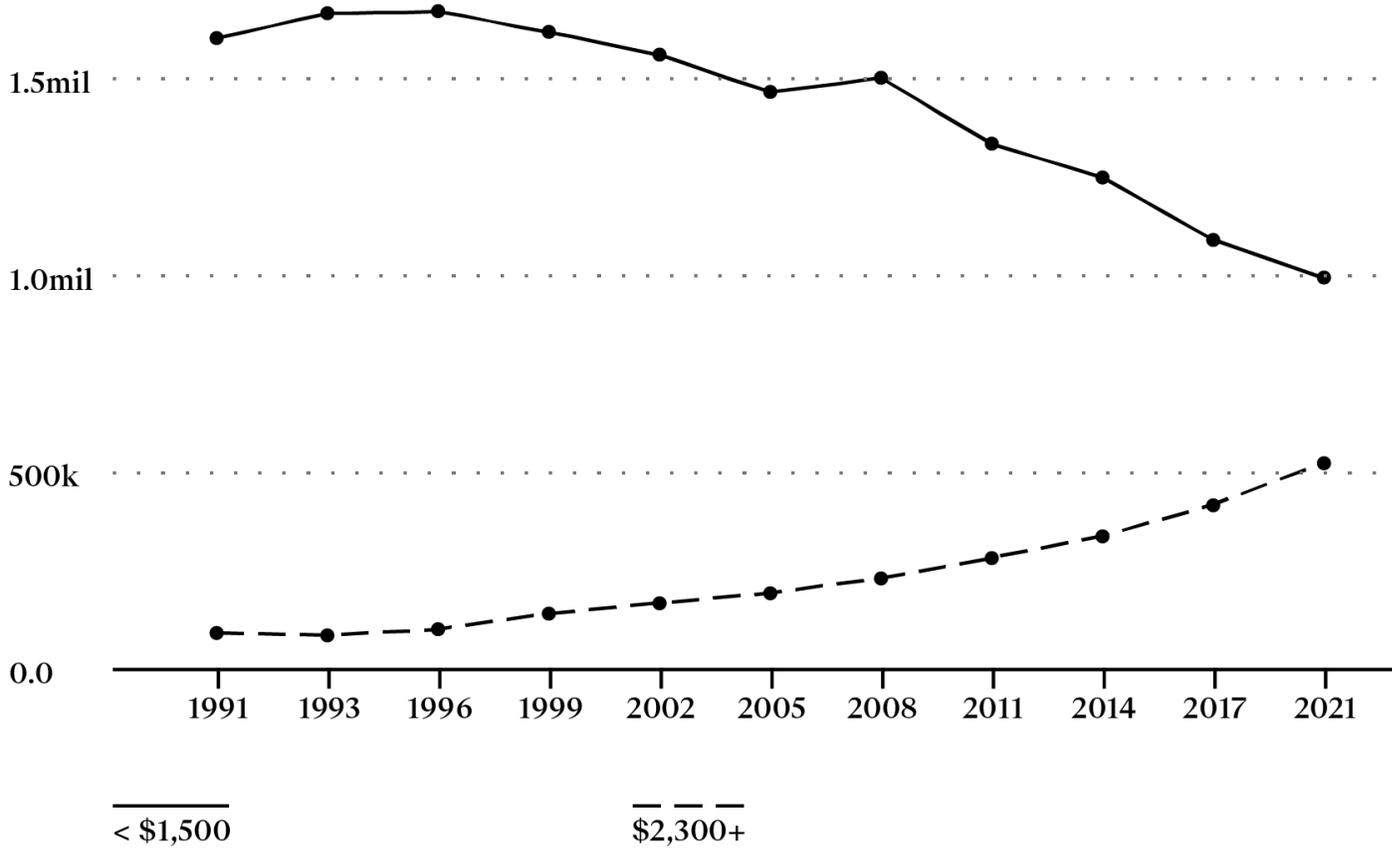
Net Change in Monthly Rents: 2011 - 2021
Inflation-Adjusted and Shown in 2021 Dollars



Adapted from Figure 4, 2021 New York City Housing and Vacancy Survey Selected Initial Findings

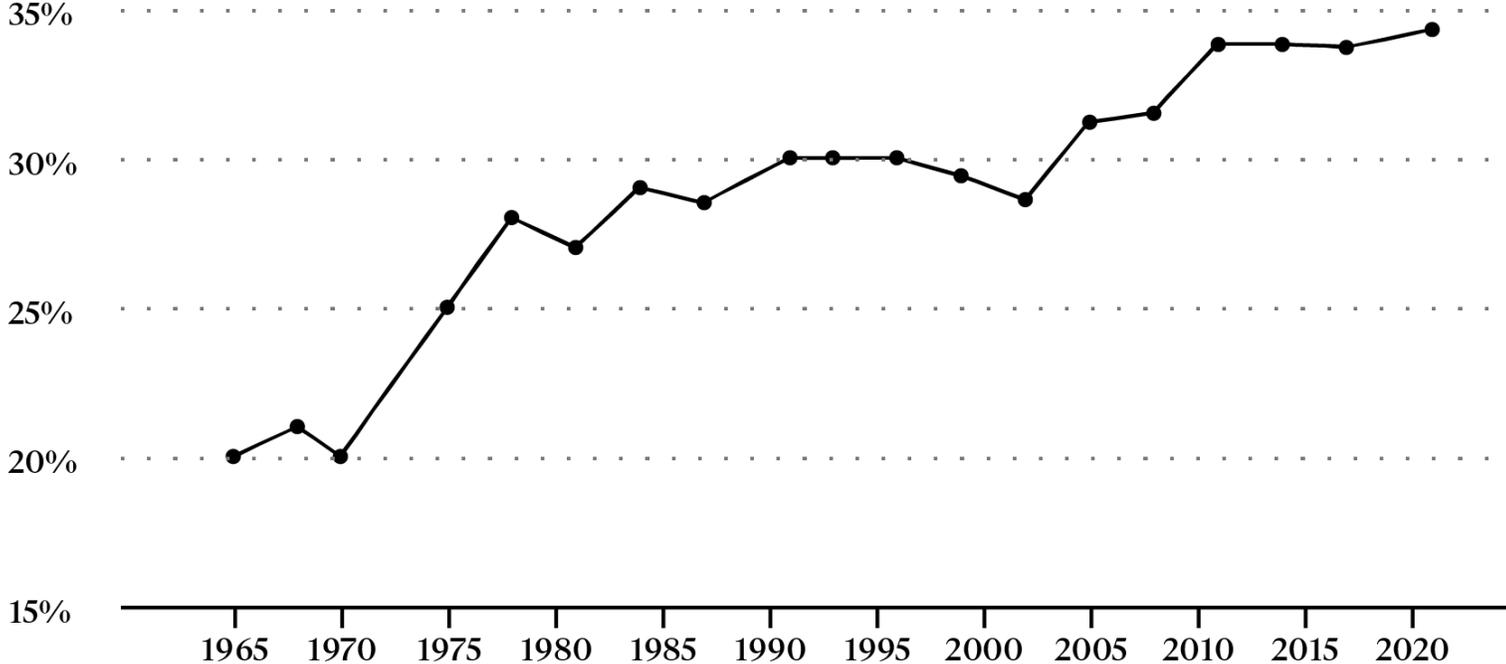
In the last 30 years, New York City has lost more than 600,000 units renting for less than \$1,500

Number of High- and Low-Cost Units Over Time: 1991-2021
 Inflation-Adjusted and Shown in 2021 Dollars



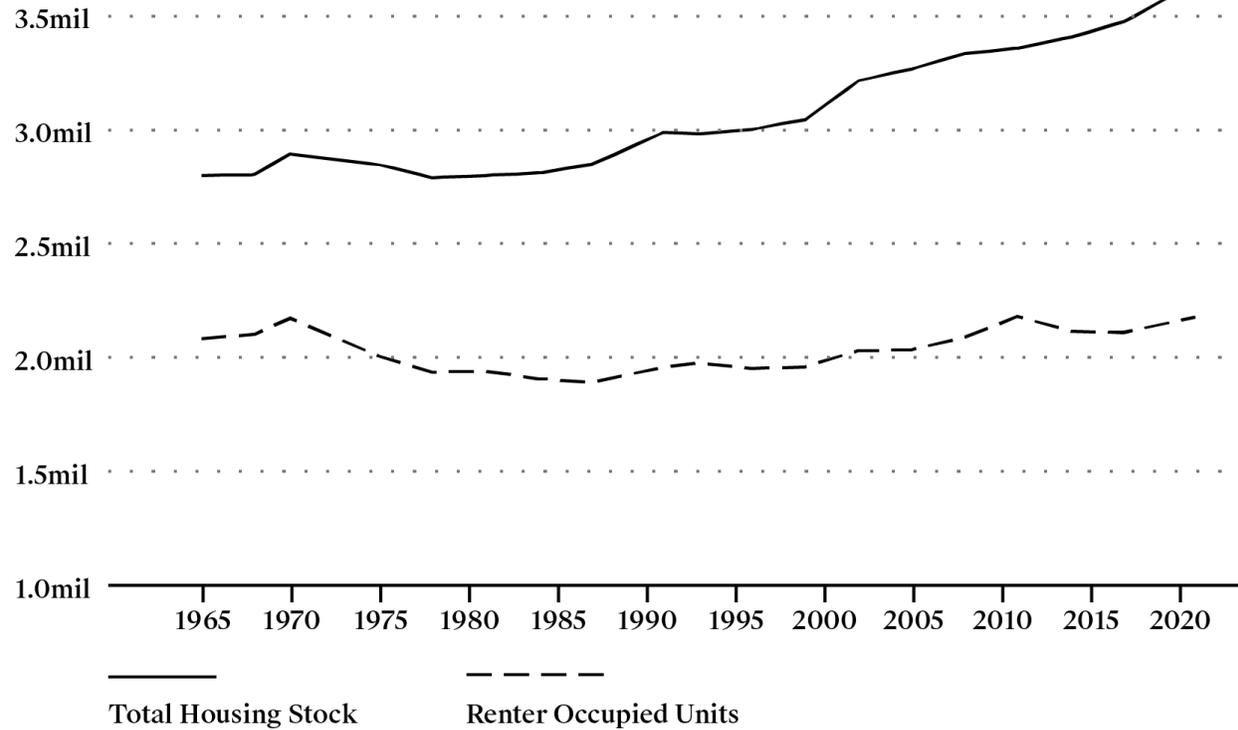
The share of income the typical New Yorker pays for rent remains at historically high levels

Median Gross Rent-to-Income Ratio: 1965-2021



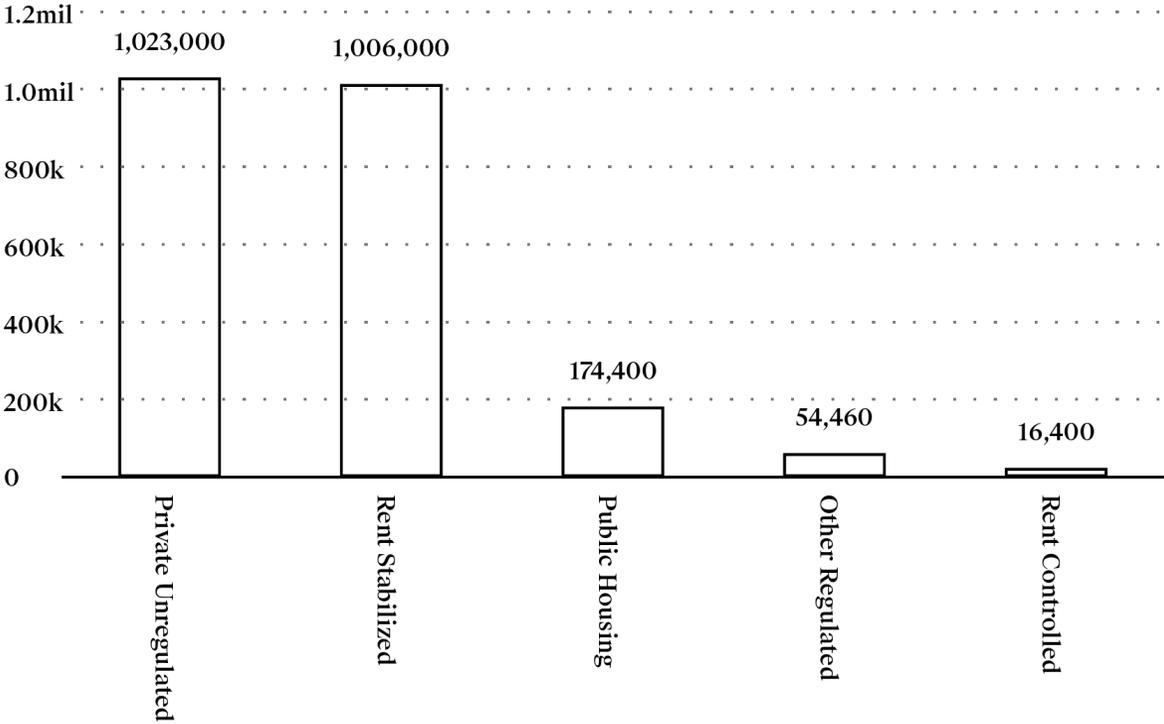
Appendix A: Figures from 2021 NYCHVS Selected Initial Findings

Figure 1. Total Number of Housing Units and Renter Households: 1965 - 2021



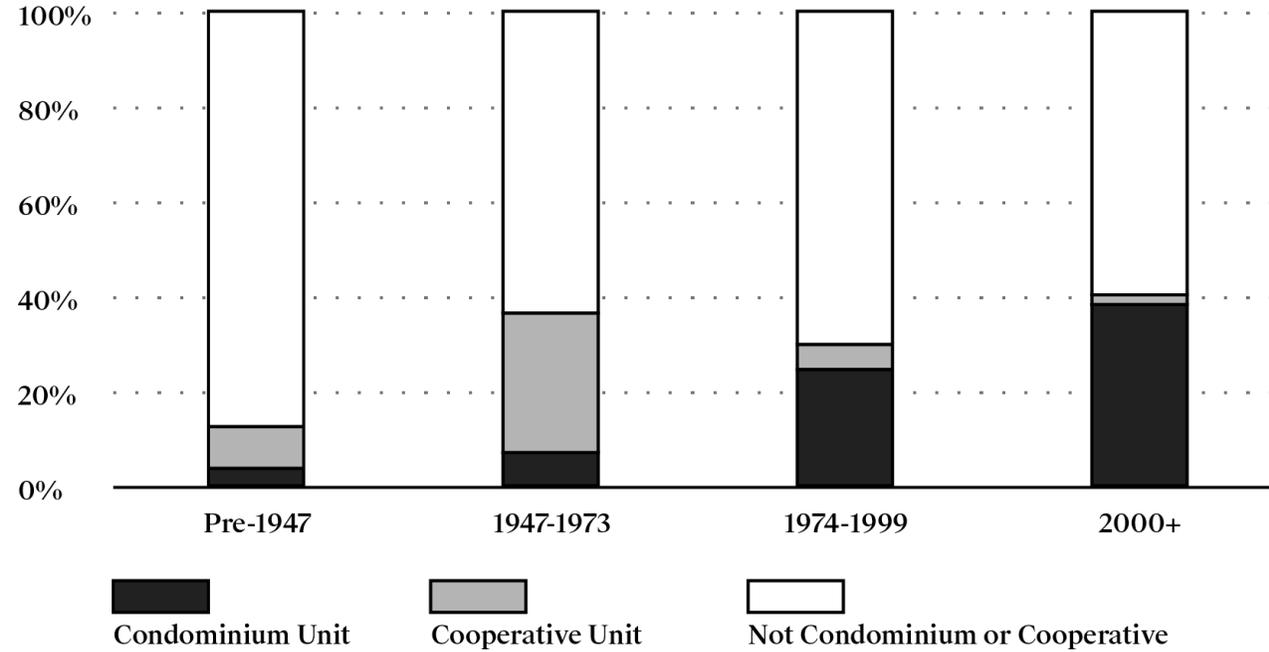
Source: New York City Housing and Vacancy Survey (NYCHVS), 1965 - 2021. US Census Bureau / NYC Dept of Housing Preservation and Development. Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.

Figure 2. Rental Units by Type of Housing



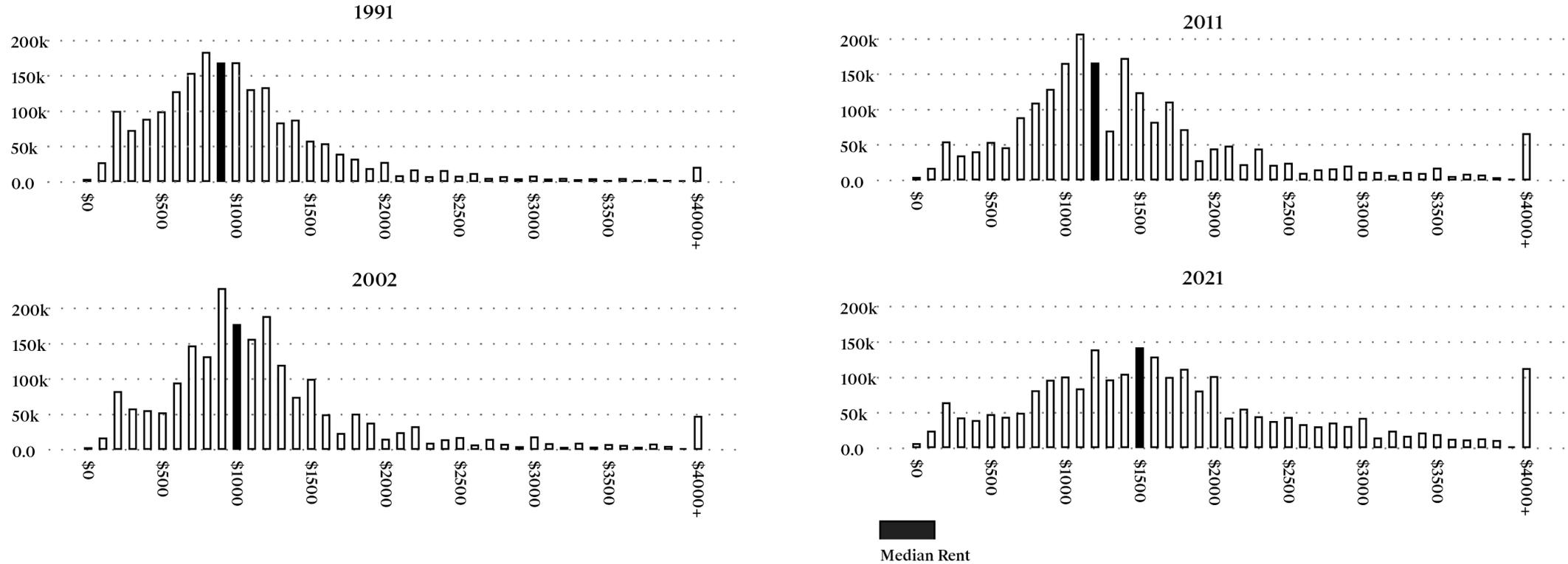
Source: New York City Housing and Vacancy Survey (NYCHVS), 2021. US Census Bureau / NYC Dept of Housing Preservation and Development. Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.

Figure 3. Share of Units in Condo and Coop Buildings by Year Built



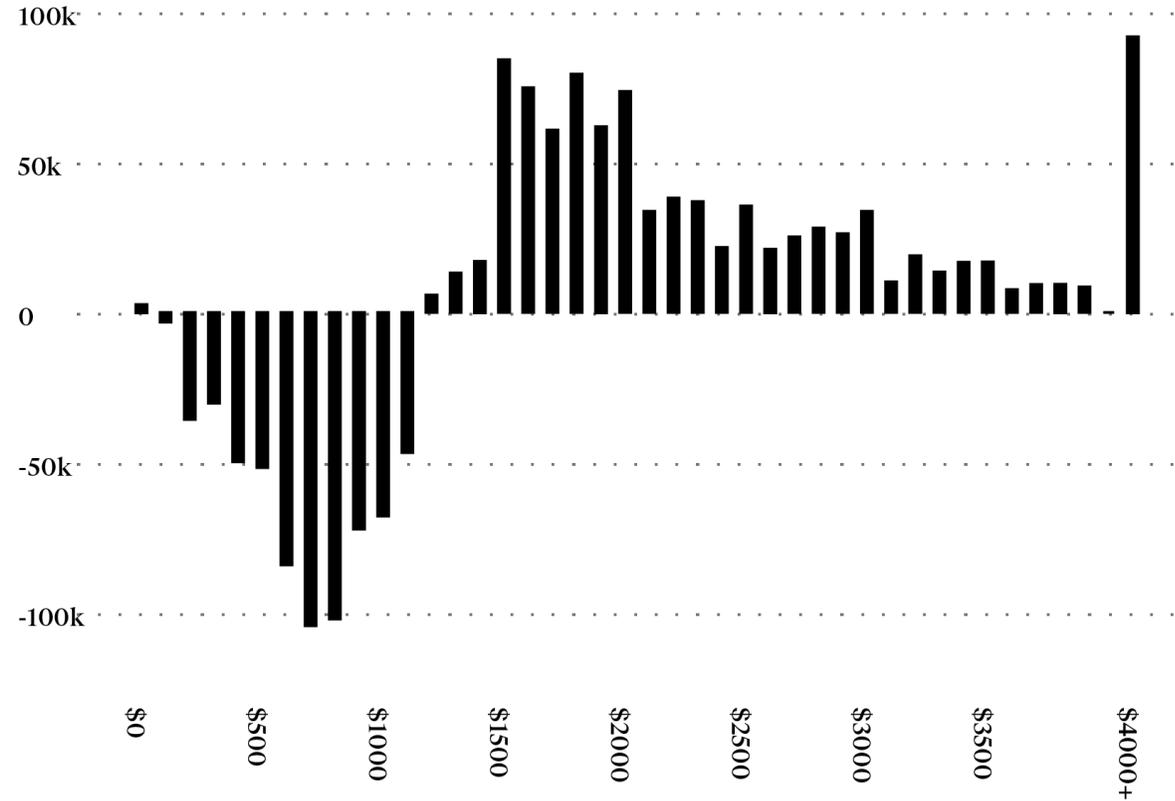
Source: New York City Housing and Vacancy Survey (NYCHVS), 2021. US Census Bureau / NYC Dept of Housing Preservation and Development. Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.

Figure 4. Distribution of Monthly Rent by Decade: 1991 - 2021
Inflation-Adjusted and Shown in 2021 Dollars



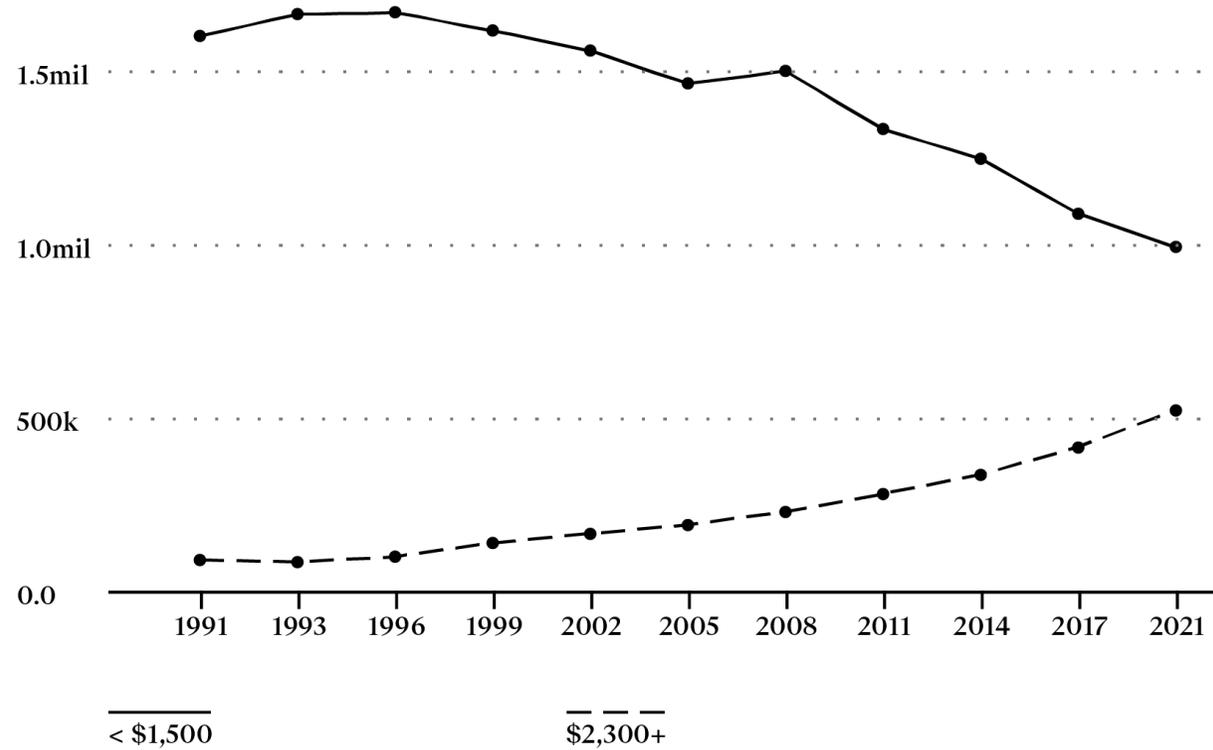
Source: New York City Housing and Vacancy Survey (NYCHVS), 1991, 2002, 2011, 2021. US Census Bureau / NYC Dept of Housing Preservation and Development. Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.

Figure 5. Net Change in Monthly Rents: 1991 - 2021
Inflation-Adjusted and Shown in 2021 Dollars



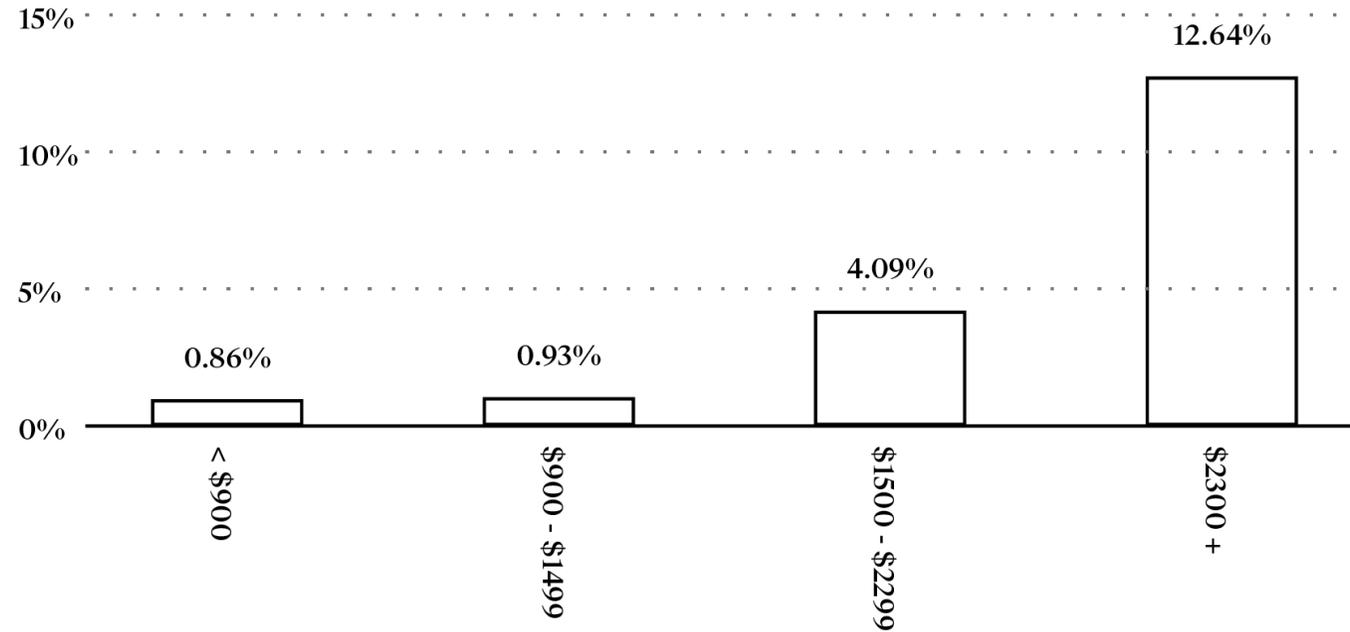
Source: New York City Housing and Vacancy Survey (NYCHVS), 1991, 2021. US Census Bureau / NYC Dept of Housing Preservation and Development.
Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.

Figure 6. Number of High- and Low-Cost Units Over Time: 1991-2021
Inflation-Adjusted and Shown in 2021 Dollars



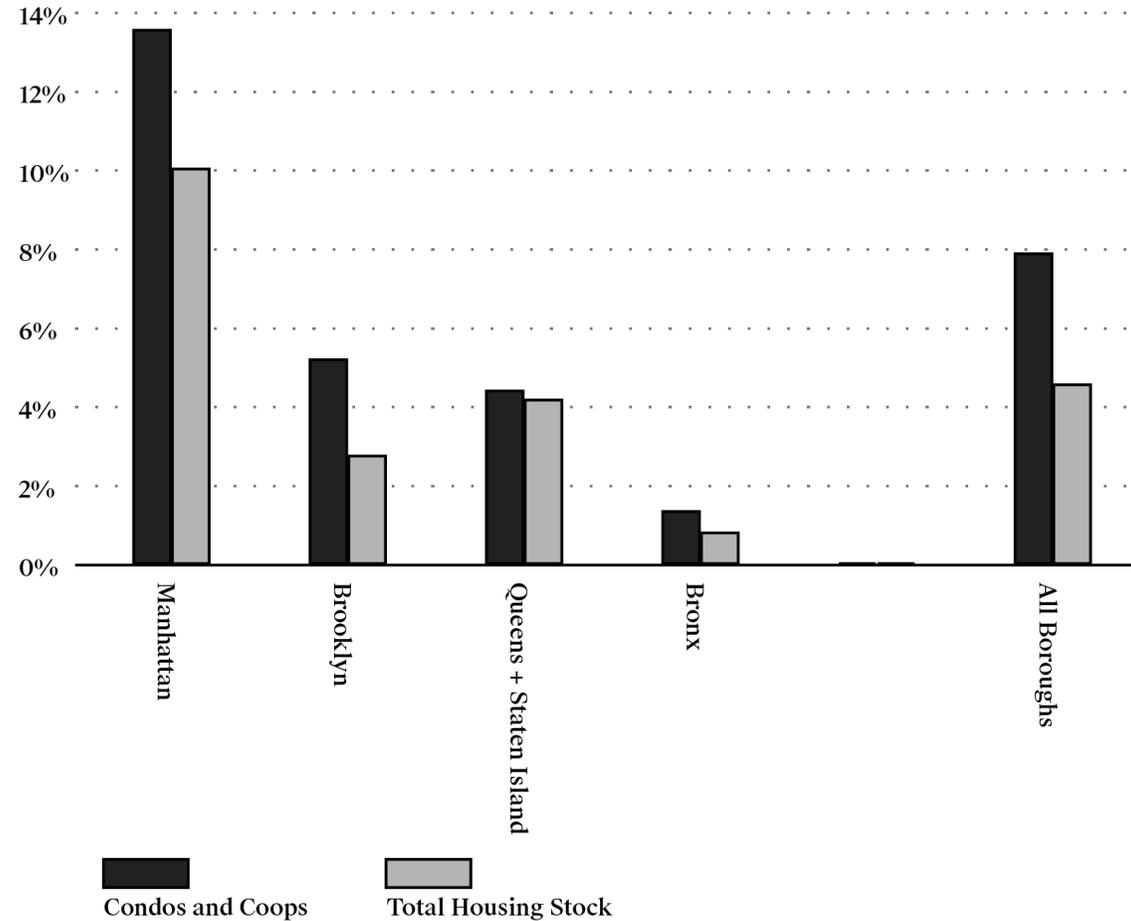
Source: New York City Housing and Vacancy Survey (NYCHVS), 1991 - 2021. US Census Bureau / NYC Dept of Housing Preservation and Development.
Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.

Figure 7. Net Rental Vacancy Rate by Asking Rent



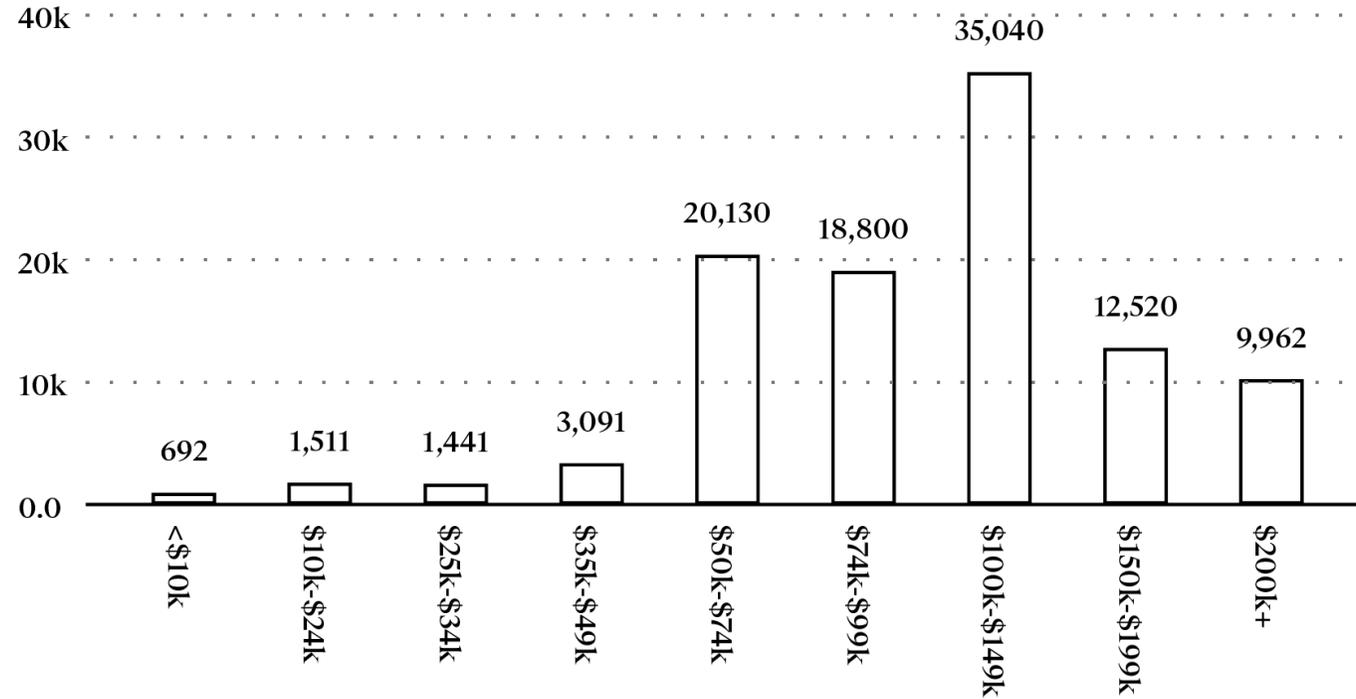
Source: New York City Housing and Vacancy Survey (NYCHVS), 2021. US Census Bureau / NYC Dept of Housing Preservation and Development. Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.

Figure 8. Net Rental Vacancy Rate in Condos and Coops by Borough



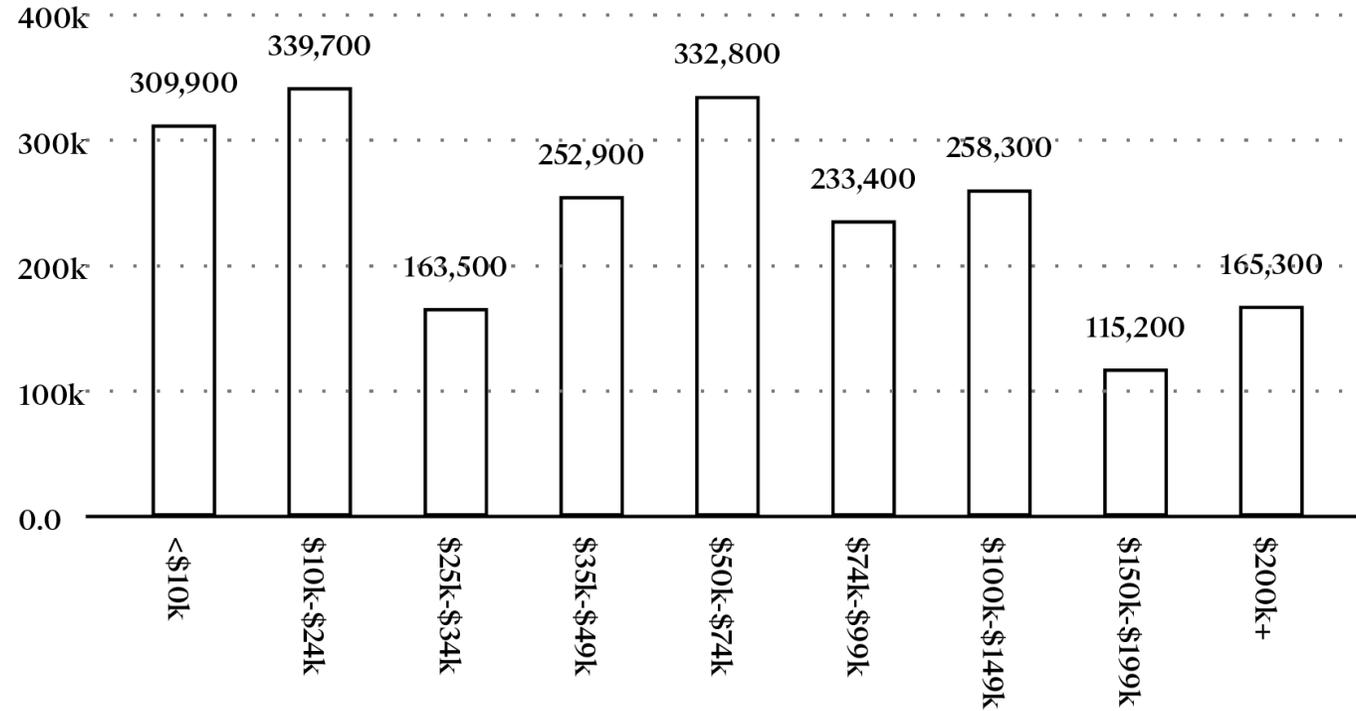
Source: New York City Housing and Vacancy Survey (NYCHVS), 2021. US Census Bureau / NYC Dept of Housing Preservation and Development. Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.

Figure 9. Incomes Needed to Afford Vacant Units Available for Rent



Source: New York City Housing and Vacancy Survey (NYCHVS), 2021. US Census Bureau / NYC Dept of Housing Preservation and Development. Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.

Figure 10. Household Income of Renters



Source: New York City Housing and Vacancy Survey (NYCHVS), 2021. US Census Bureau / NYC Dept of Housing Preservation and Development. Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.

Figure 11. Units Not Available for Rent or Sale by Reason

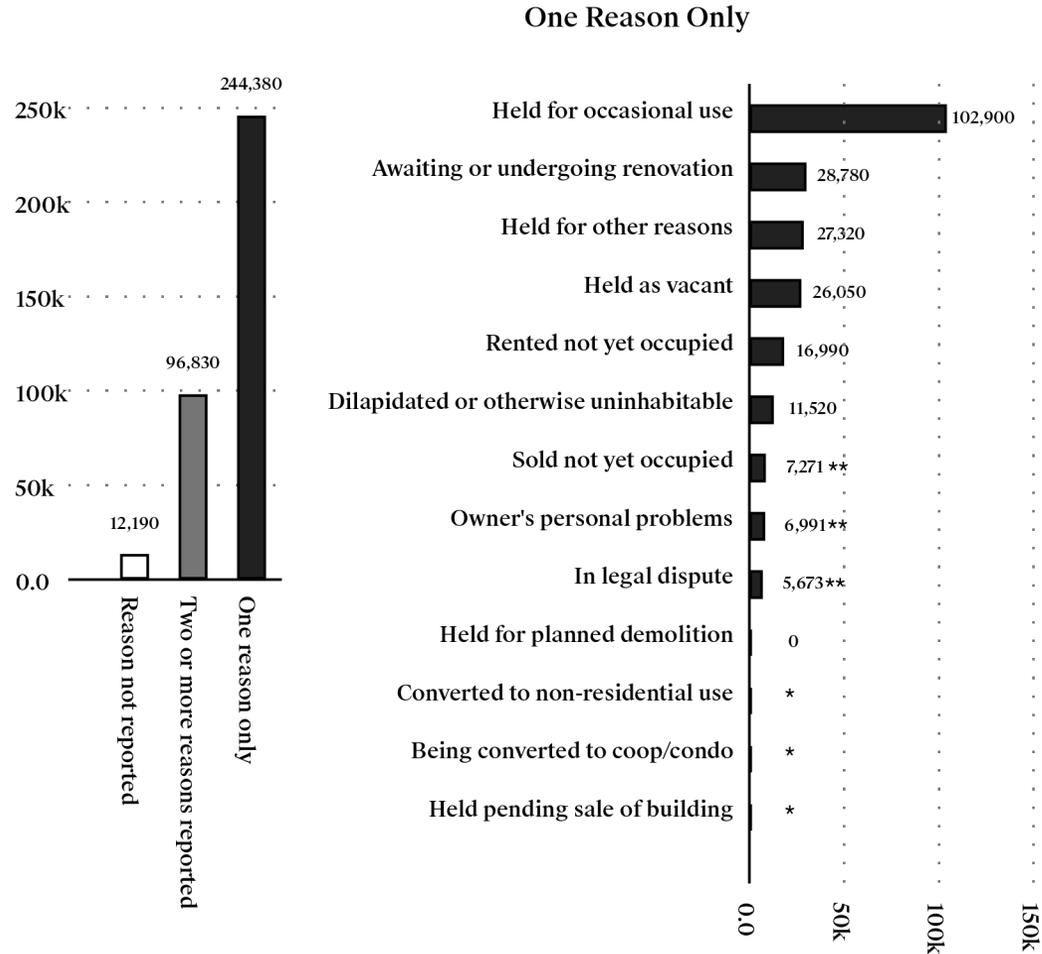
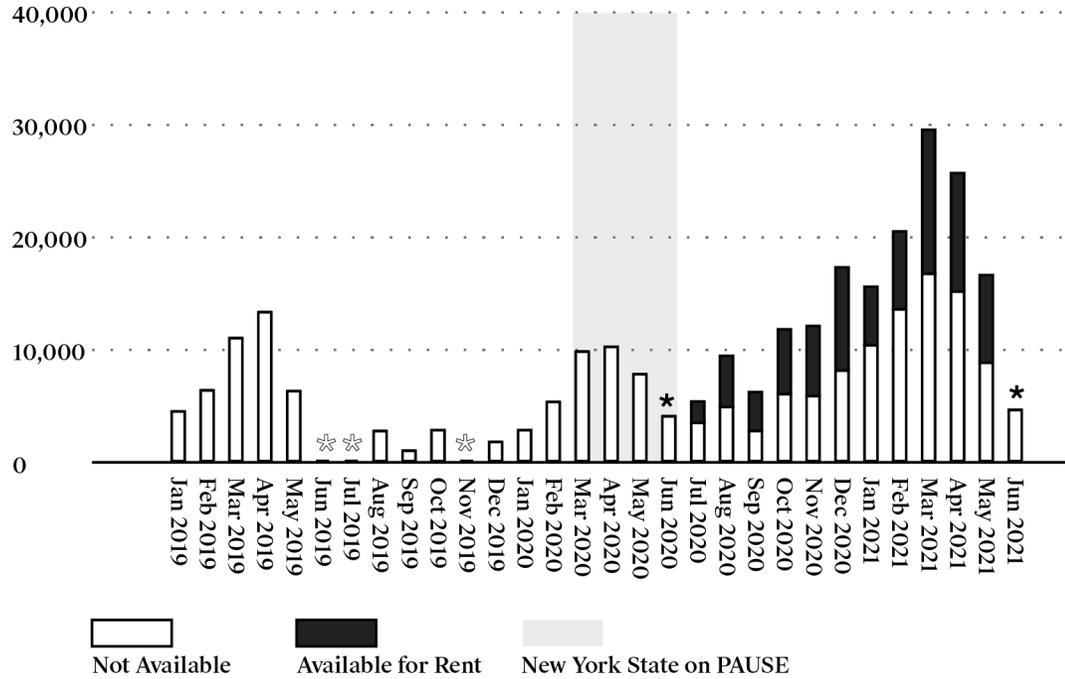
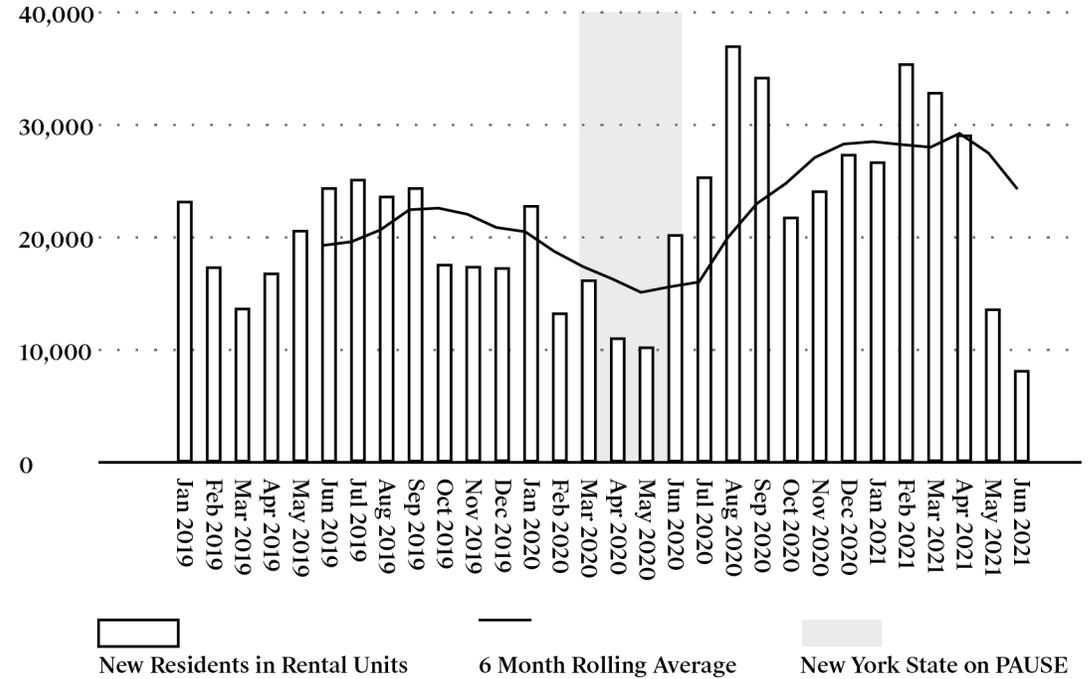


Figure 12. Timing of Vacancy by Availability

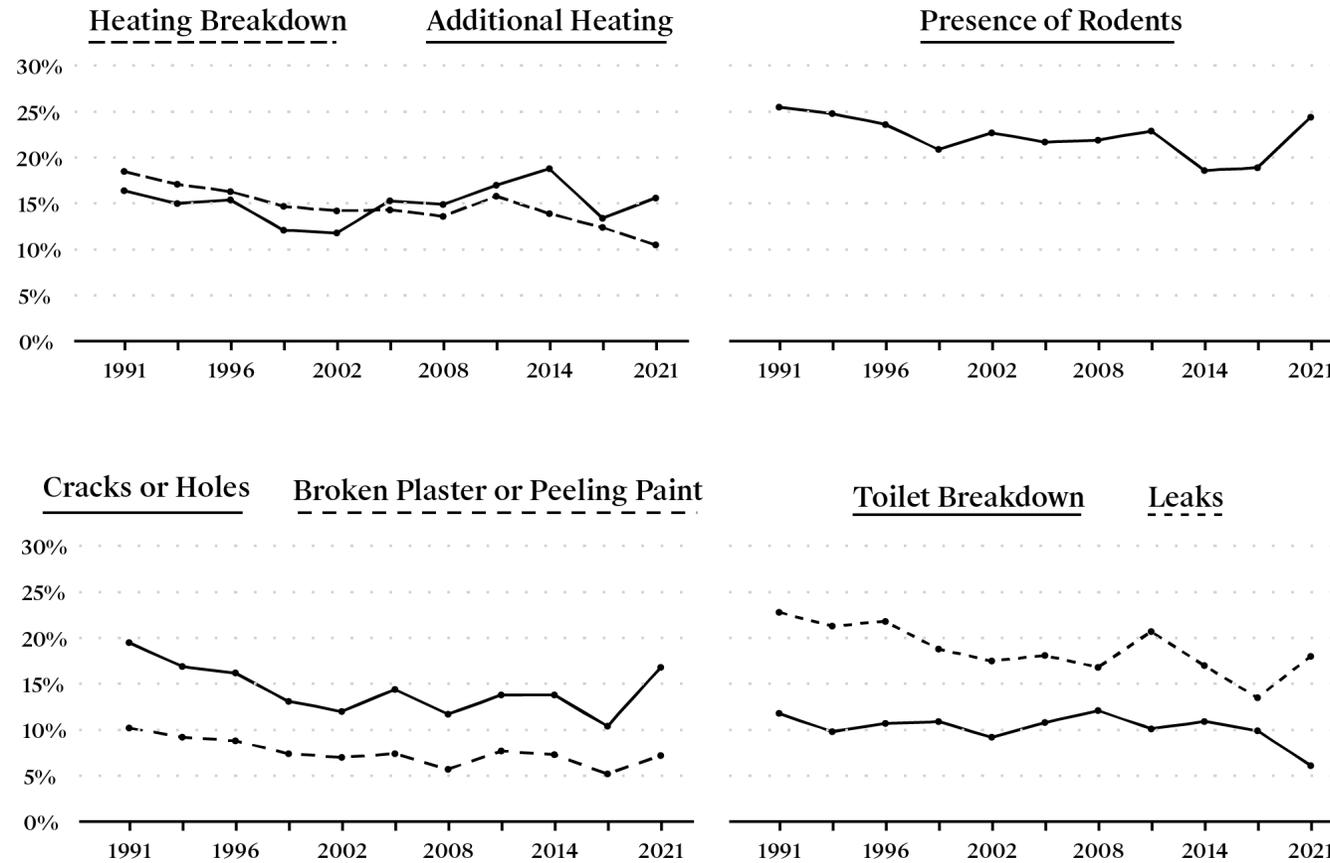


Rental Turnover



Source: New York City Housing and Vacancy Survey (NYCHVS), 2021. US Census Bureau / NYC Dept of Housing Preservation and Development.
 Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.
 *Estimate is suppressed following US Census Bureau disclosure avoidance practices.

Figure 13. Prevalence of Maintenance Deficiencies: 1991 - 2021



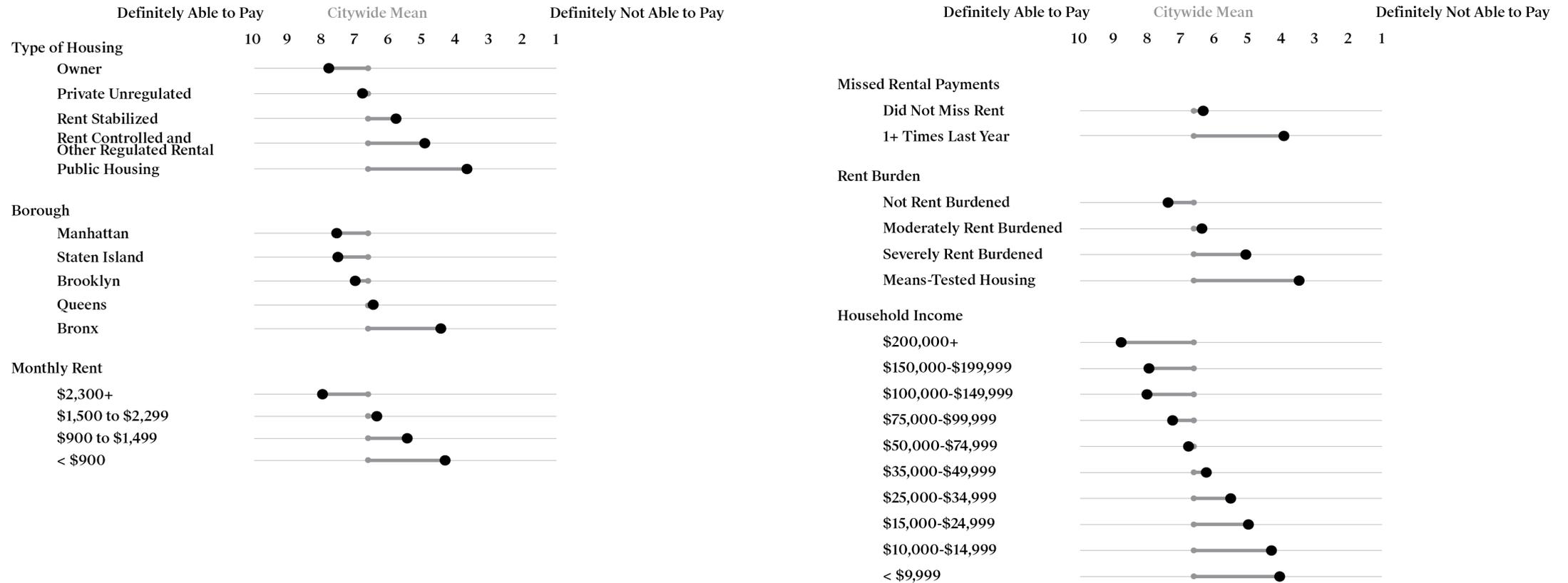
Source: New York City Housing and Vacancy Survey (NYCHVS), 1991-2021. US Census Bureau / NYC Dept of Housing Preservation and Development. Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.

Figure 14. Median Gross Rent-to-Income Ratio: 1965-2021



Source: New York City Housing and Vacancy Survey (NYCHVS), 1965 - 2021. US Census Bureau / NYC Dept of Housing Preservation and Development. Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.

Figure 15. Confidence in Ability to Pay a \$400 Emergency Expense



Source: New York City Housing and Vacancy Survey (NYCHVS), 2021. US Census Bureau / NYC Dept of Housing Preservation and Development. Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.



**Testimony of
Beth Finkel
AARP New York**

**New York City Council
Committee on Housing and Buildings**

Rent Regulations

6/7/2022

**Remote Hearing
New York, New York**

Contact: Kevin Jones (646) 668-7550 | kjones@aarp.org

Greetings Chair Sanchez and members of the New York City Council Committee on Housing and Buildings. Thank you for giving me the opportunity to submit this testimony.

My name is Beth Finkel and I am the State Director of AARP New York, representing 750,000 members ages 50-plus in New York City.

It's clear that we continue to have a public emergency requiring rent control in the City of New York. To that end, AARP supports extending the rent stabilization laws.

It's not just the lack of housing and low vacancy rates that drive the rent-related emergency: the pandemic, and now sky-high inflation, have created serious financial strains on older New Yorkers, especially those on fixed incomes, but also those who lost jobs during the height of COVID and have not yet recovered financially.

And, there are a lot of these older residents. The number of older adults in New York City—residents 65 and over—increased twelve times faster than the city's under-65 population over the past decade; there are now over a million and a quarter adults aged 65 and older living in the five boroughs.

Over the past several months, these older adults, those 50 plus, and, in fact, all residents, have experienced steep price increases across all consumer goods. According to the Bureau of Labor Statistics, the cost of food rose nearly 10%, gas is up near 50%, utilities are up 11%. We are in the midst of the highest inflation in about 40 years.

Even before this record inflation, New Yorkers were already living in one of the most expensive cities. And rent burdens were already significant.

According to AARP research:

- Sixty five percent of senior households living in rent regulated housing spend more than half their income on rent.
- Over six in 10 Gen X and Boomer city voters, including over seven in 10 African-Americans and Hispanics, worry about being able to afford their rent or mortgage.
- Affordable housing is a major concern for 54% of respondents, far surpassing other community concerns; in communities of color, this number is even higher – 67% of Hispanic voters identify housing costs as a major concern.

Rent regulation, while not a perfect solution, does significantly help in keeping housing costs somewhat steady. That's why we support the law's continuation. I would also like to note that we are supportive of, and have been pushing for the city to increase the reimbursement rate for Senior Affordable Rental Apartments and allocate capital funding to develop 1,000 units of affordable senior housing per year in the FY23 budget. These solutions will also significantly help people age in the homes and communities they love, which New Yorkers want.

Older adults built this city and made it great. I hope as they age, the city will do more to help them stay here and continue to contribute to the vibrancy of New York City.

Thank you.



ANHD
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Testimony Before the New York City Council Housing and Buildings Committee Regarding Extending the Rent Stabilization Laws and New York City's Housing Emergency

June 7, 2022

Thank you to Committee Chair Sanchez and members of the Housing and Buildings Committee for the opportunity to testify on New York City's ongoing housing emergency and the need to maintain rent stabilization.

About the Association for Neighborhood and Housing Development (ANHD)

ANHD is one of the City's lead policy, advocacy, technical assistance, and capacity-building organizations. We maintain a membership of 80+ neighborhood-based and city-wide nonprofit organizations that have affordable housing and/or equitable economic development as a central component of their mission. We bridge the power and impact of our member groups to build community power and ensure the right to affordable housing and thriving, equitable neighborhoods for all New Yorkers. We value justice, equity and opportunity, and we believe in the importance of movement building that centers marginalized communities in our work. We believe housing justice is economic justice is racial justice.

The Housing and Vacancy Survey Shows the Severity of Our Affordability Crisis

HPD's 2021 Housing and Vacancy Survey findings clearly show that New York City is – without question – in the midst of a severe housing emergency, which has only worsened in recent years.

There may be suggestions that an increase of New York City's overall vacancy rate from 3.63% in 2017 to 4.54% in 2021 shows our affordability crisis is lessening.¹ However, focusing on this singular metric – the one that, problematically, is used to legally gauge the state of our housing emergency – is vastly misleading. **There has been an astounding decrease in vacancy for New York City's lowest rent – and most affordable – apartments. At the same time, there has been a staggering jump in vacancy for the City's highest-rent apartments.**

¹ Unless otherwise specified, data and figures cited in this testimony can be found in the Department of Housing Preservation and Development's [2017](#) and [2021](#) Selected Initial Findings of the Housing and Vacancy Survey.

Vacancy rate by monthly rent

2017		2021	
Less than \$800	1.15%	Less than \$900	0.86%
\$800 - \$999	2.09%	\$900 - \$1,499	0.93%
\$1,000 - \$1,499	2.52%	\$1,500 - \$2,299	4.09%
\$1,500 - \$1,999	4.11%	\$2,300 or more	12.64%
\$2,000 - \$2,499	5.2%		
\$2,500 or more	8.74%		

In 2017, the vacancy rate for apartments renting for less than \$1,500 per month ranged from 1.15% - 2.52%. In 2021, it was 0.86% - 0.93%. **This means that currently, fewer than one in one hundred apartments in New York City with rents below \$1,500 are available.** As a point of comparison, a typical renter household makes \$50,000 and is able to afford approximately \$1,250 per month in rent.

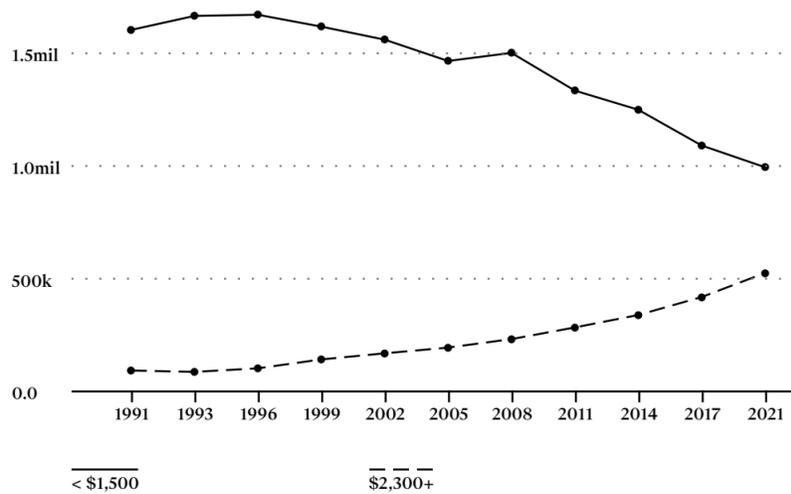
The gap between income and apartment availability becomes even more pronounced for people of color: in general, Black, indigenous, and Latinx-led households make around 40% less than white households in New York City.²

At the same time, the vacancy rate of the highest rent apartments in the survey – defined as \$2,500 or more in 2017 and \$2,300 or more in 2021– increased from 8.74% to 12.64%, a jump of almost 50%. If you can afford to pay over \$2,300/month for an apartment, about one in eight apartments are available.

Figure 6 of the 2021 HVS findings shows us what we need to know about our City's housing supply: there is an inverse relationship between the supply of high- and low-cost units over time. New York City's overall increase in household vacancy is entirely driven by surplus luxury units at the top of the market – not a true increase in affordability.

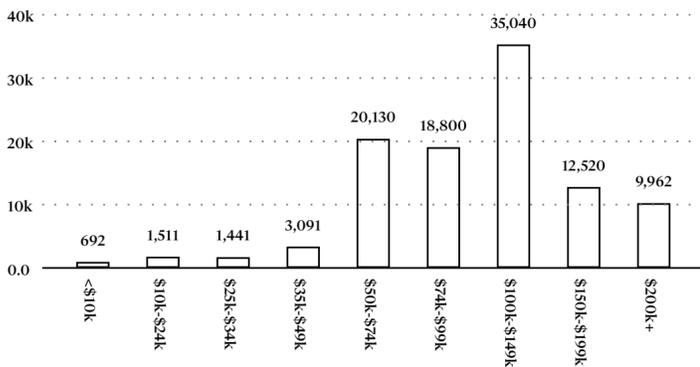
² Source: Census American Community Survey 2020 5-Year Estimates, B19001, Household Income in the Past 12 Months by Race/Ethnicity of Householder. These figures include both renter and owner households; we expect that income gaps for renter households by race/ethnicity would be similar or even more pronounced.

Figure 6. Number of High- and Low-Cost Units Over Time: 1991-2021
Inflation-Adjusted and Shown in 2021 Dollars



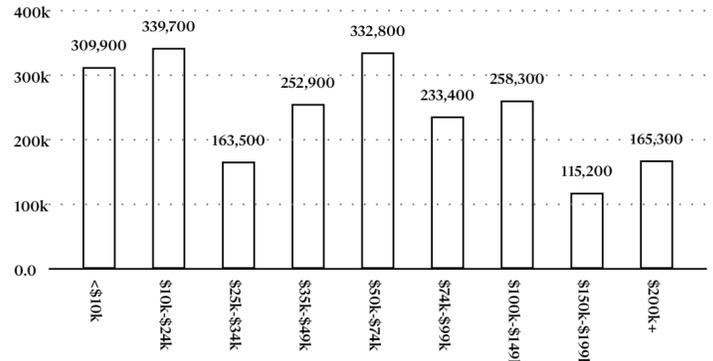
Additionally, in their analysis HPD compared the incomes needed to afford available vacant units to actual household incomes of renters. The comparison shows a dramatic mismatch.

Figure 9. Incomes Needed to Afford Vacant Units Available for Rent



Source: New York City Housing and Vacancy Survey (NYCHVS), 2021. US Census Bureau / NYC Dept of Housing Preservation and Development. Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.

Figure 10. Household Income of Renters



Source: New York City Housing and Vacancy Survey (NYCHVS), 2021. US Census Bureau / NYC Dept of Housing Preservation and Development. Please refer to the technical appendices at the end of this report for details on the NYCHVS design, definitions, and methodology.

This is not a picture of a city whose housing emergency is anywhere close to over. The 2021 HVS raises serious new concerns about the direction of our City's housing affordability and stability.

Rent stabilization has been and continues to be a necessity to maintain NYC housing affordability. The median monthly contract rent in rent stabilized units is \$1,400. Because this estimate includes new high-rent stabilized units such as those built with 421-a exemptions, the median rent of stabilized units in pre-1974 buildings is likely much lower. In comparison, the median rent of unregulated housing is \$1,825, 30% more. The median rent of stabilized units is

much more affordable to the typical renter household that makes \$50,000 – though there is still a gap.

We thank you for holding this hearing and urge you to do everything you can as the Council to acknowledge and address the true affordability crisis that has only worsened in recent years. We urge you to pass the considered local law to extend the rent stabilization laws and resolution to determine that a public housing emergency still exists.

Thank you for the opportunity to testify. If you have any questions or for more information, please contact Lucy Block at lucy.b@anhd.org.

Testimony: HVS Shows Ongoing Housing Emergency and Need for Ongoing Rent Regulation

Samuel Stein and Oksana Mironova

City Council Committee on Housing and Buildings and Committee on State and Federal Legislation

June 7th, 2022

Thank you for the opportunity to testify at today's hearing of the City Council Committee on Housing and Buildings and the City Council Committee on the ongoing rental housing emergency and the need to extend the rent stabilization laws. Our names are Samuel Stein and Oksana Mironova, and we are housing policy analysts at the Community Service Society of New York (CSS). CSS has worked with and for New Yorkers since 1843 to promote economic opportunity and champion an equitable city and state. We center the voices and experiences of communities of color and those with low incomes, powering change through a strategic combination of research, services, and advocacy. We work extensively on tracking the New York's housing crisis and evaluating the impact of the State's rent and tenant protection laws.

Periodically – usually every three years, but with additional time needed this year due to both the timing of the decennial census and the ongoing pandemic – the New York City Department of Housing Preservation and Development (HPD) sponsors the preparation of the New York City Housing and Vacancy Survey (HVS). The survey is a byproduct of the city's rent regulation system and its primary purpose is to determine the city's vacancy rate. The continuation of rent stabilization in NYC is contingent on a continuing "housing emergency," quantified by a vacancy rate of lower than 5 percent.

The [2021 HVS](#)—fielded in the midst of a pandemic, February 2021 to July 2021—showed a 4.54% vacancy rate. Though this is higher than recent years, due largely to wealthy Manhattanites temporarily fleeing the city at the time the survey was conducted, it still constitutes a housing emergency, and therefore demonstrates the necessity of extending New York's rent regulation laws.

Among housing researchers, HVS is considered the gold standard of data on New York City housing. The scale of the survey – in terms of both its sample size and the breadth of topics it covers – is unparalleled by any other source of comprehensive housing data. We find the results of the 2021 HVS to be compelling, enlightening, and evidence of the ongoing struggles facing renters in New York City. They also provide insights into the important benefits the 2019 Housing Stability and Tenant Protection Act has provided to rent stabilized renters in New York City, and to the city as a whole.

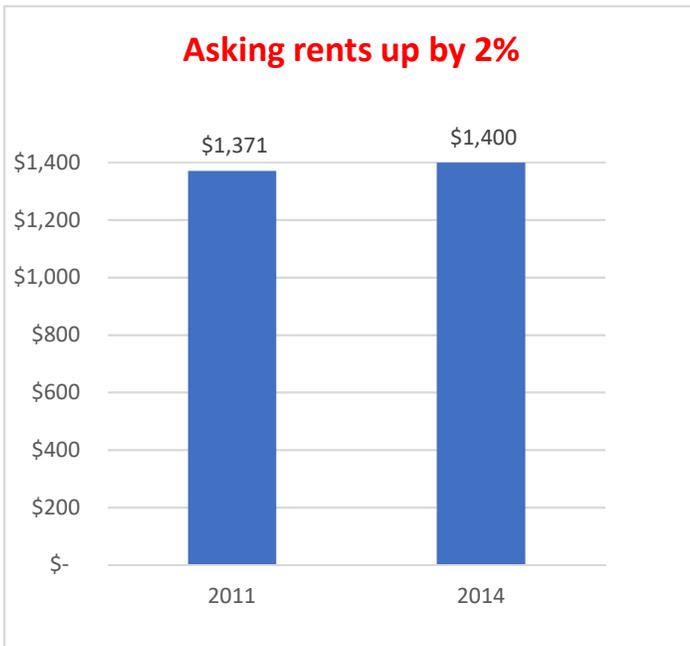
Based on the HVS's initial findings, we strongly urge the City Council to certify the ongoing housing emergency and to extend the rent stabilization laws.

Below, we summarize our key takeaways from the initial findings of the HVS.

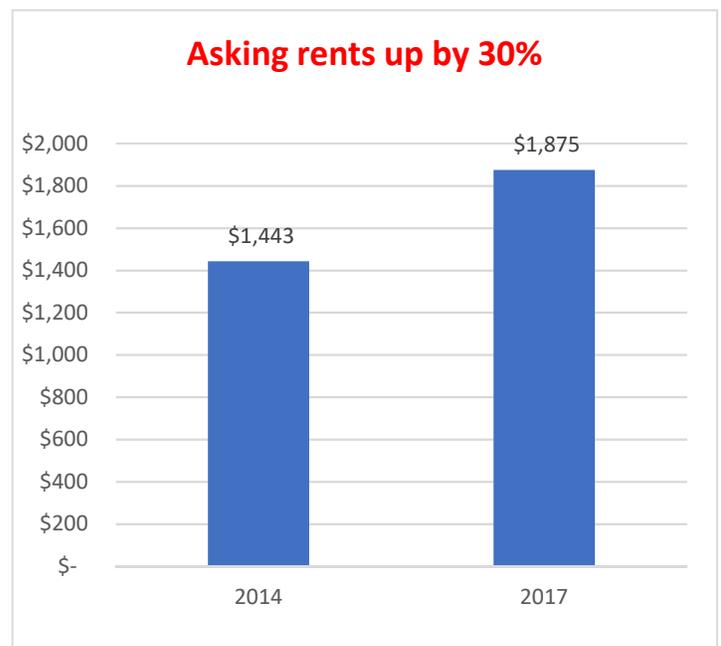
The rent is too damn high

Asking rents in New York City, or rents in apartments that are were on the market when the HVS was fielded, increased by 34 percent, accounting for inflation, between 2017 and 2021.

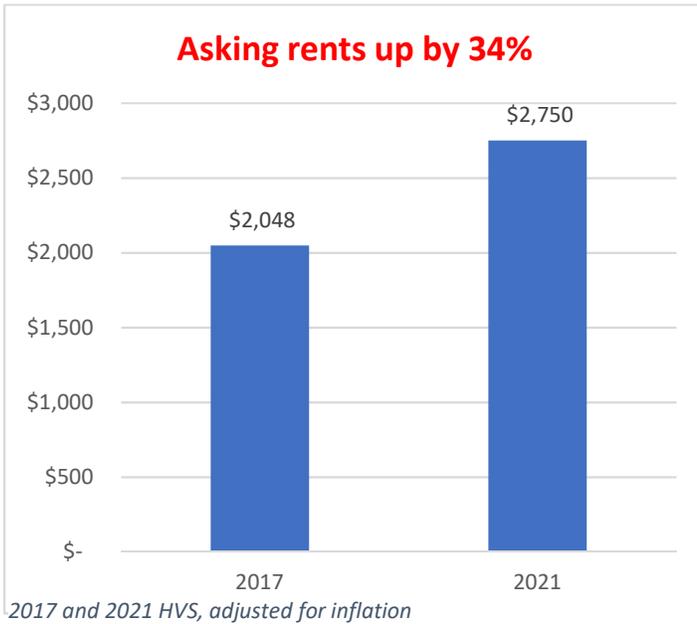
With each HVS fielded in the past decade, the asking rent rate climbed at a rising rate, from 2 percent (2011 – 2014), to 30 percent (2014 – 2017) to 34 percent (2017 -2021), meaning that NYC’s rental unaffordability is getting worse fast.



2011 and 2014 NYC HVS, adjusted for inflation



2014 and 2017 HVS, adjusted for inflation

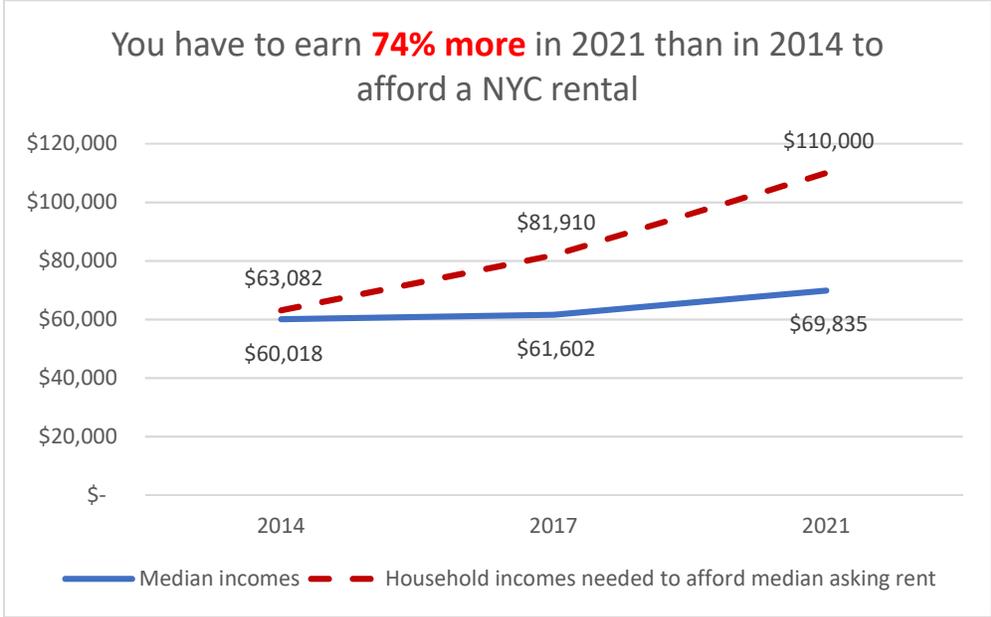


You must earn at least \$110,000 to afford to move into most apartments in NYC

After decades of wages stagnation and real estate development focused on high-rent units, the rental market has dramatically shifted to serve wealthier and wealthier New Yorkers over the past ten years.

The income necessary to afford the median asking rent in NYC has gone up by 74 percent since 2014, from \$63,082 (in 2021 dollars) to \$110,000. Wages increase by only 16 percent over the same time period.

This means that a median priced apartment in New York City is increasingly out of reach for not only low-income New Yorkers, but for middle-income earners too.



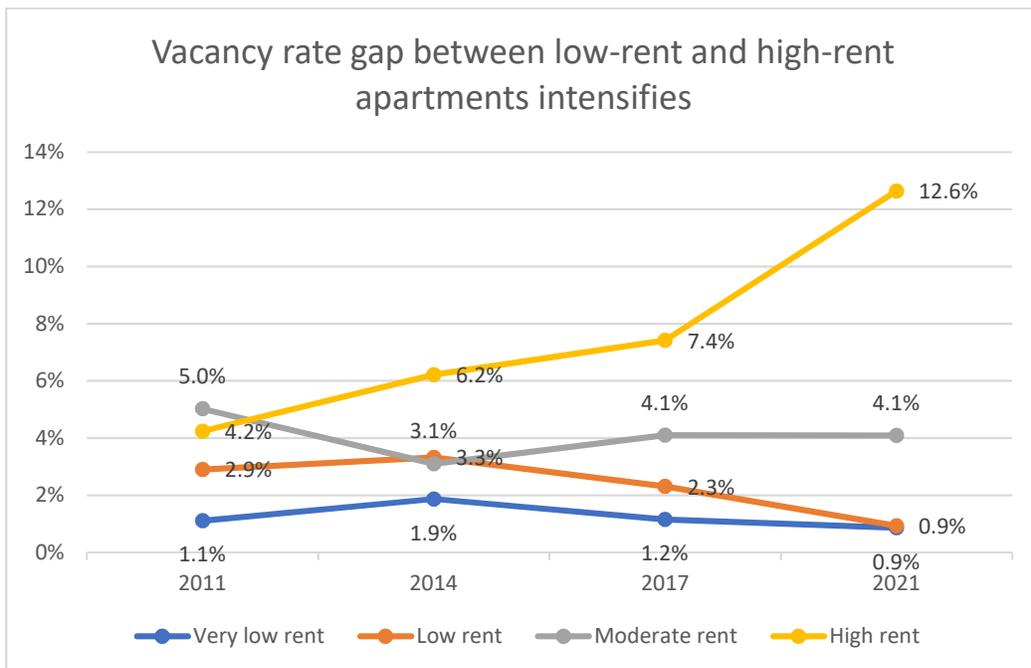
Source: Median household income, CPI-adjusted five-year ACS data; Income needed to afford asking rents, CPI-adjusted HVS data.

Vacancies in high rent apartments skyrocket in 2021, as low rent apartments disappear

In 2021, more than one in ten high-rent apartments was on the market, while low and very low apartment vacancies plummeted below one percent. While the high-rent vacancy rate was inflated by the temporary exodus of wealthy renters during the height of the pandemic, it reflects a longer trend: The market is over-producing high-rent units unaffordable to the vast majority of New Yorkers, while under-producing the low-rent housing most New Yorkers need.

There are almost no apartments (0.9 percent vacancy) on the open market at the current median rent of \$1,500, but plenty of high-rent apartments renting for over \$2,300 (12.6 percent vacancy). This not only means that low-, moderate-, and middle-income households will have trouble finding an apartment. It also means that household living in less-than-ideal situations—including with unsafe building conditions or in overcrowded apartments—are unable move.

Geographically, vacancies were concentrated in Manhattan, which had a 10 percent vacancy rate, 5.5 points above the city-wide rate (4.5 percent), and 9.2 points higher than rate in The Bronx (.8 percent).



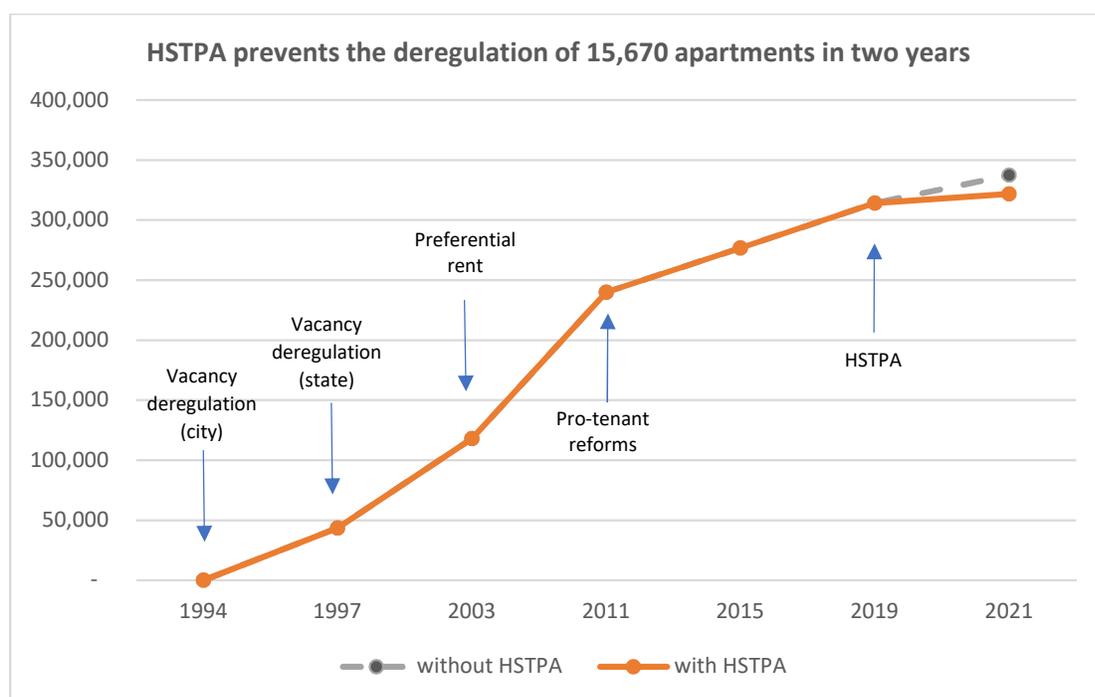
Note: In 2011-2017 very low-rent=under \$800; low rent=\$801-\$1499; moderate rent=\$1500-\$2000; high rent=\$2000+. In 2021, very low rent= under \$900; low rent=901-\$1499; moderate rent= \$1500-\$2299; high rent=\$2300+

Strengthened rent laws prevent rents from going even higher

In 2019, New York State passed the Housing Stability and Tenant Protection Act (HSTPA), the most important, far-reaching, and comprehensive protections for tenants in about a half-century. The law closed loopholes, introduced by real estate-friendly legislatures in the 1990s, which allowed landlords to use apartment and building improvements, as well as tenant turnover, as pretenses for steep rent hikes and deregulation.

2011 reforms that raised the high vacancy threshold and made small changes to Major Capital Improvement rent increases began to slow the rate of deregulation in the city, and the 2019 HSTPA finished the job. Between 2020 and 2021, HSTPA saved 15,670 apartments from deregulation, reversing a trend started with pro-landlord reforms that weakened the State’s rent regulation system over the past few decades.

Further, the 2019 law kept rents in 37,040 apartments that turned over at the median rent of \$1,500. That is \$300 lower than it would have been without HSTPA.



Historical overview of New York City’s Rental Crisis

Since 2011, most of the city’s private market tenants have been rent burdened, paying more than 30 percent of their income in rent. In 2021, nearly one million households (53 percent) were rent burdened, while 600,000 households (32 percent) were severely rent burdened or paying more than 50 percent of their income in rent.

The rental crisis impacts poor renters the most, and Black and Latino/a/x tenants are more likely to be rent burdened than white or Asian tenants. Severe rent burdens were a near universal experience for poor households in the private rental market without a subsidy: 85% of households earning less than \$25,000 were severely rent burdened.

Black and Latino/a/x households (36 percent) were more likely to be severely rent burdened than white or Asian households (28 and 29 percent). Overall, Latino/a/x households had the highest share of rent burdens, with 59 percent paying more than 30 percent in rent.

New Yorkers' high rent burdens today are a result of real estate investment and housing policy decision over the past 50 years. The U.S. had a price and rent control system in place during WWII, which many states immediately phased out in the late 1940s. In New York State, a coalition of tenant, consumer, and labor groups pressed the state to continue controlling rents. However, by the late 1960s, the state government had implemented decontrol measures leading to the decline of rent regulation across the state. The impact was severe: vacancies dropped to 1.2 percent and median rents [increased](#) by 27 percent.

The city responded with the Rent Stabilization Law of 1969, which was quickly undercut by a series of state laws in 1971 that limited municipal control over rent regulation and allowed landlords to deregulate units upon vacancy. The state's laws led to both increased landlord harassment and a spike in rents, as landlords tried to push out tenants to deregulate units. The historical overview of rent-to-income ratios below shows a sharp jump in the median rent burden in the 1970s. (See chart below.)

The rent burden ratio hovered around 30 percent through the 1980s and 1990s, but began climbing again in the 2000s, when speculative investors began to [purchase](#) 100,000 units (about 10 percent) of the city's rent stabilized housing stock. As rent regulated landlords grew more sophisticated, investors weaponized the rent law loopholes, developing complex revenue generating strategies predicated on systematic rent increases above the annual rent guidelines, driving the rent burden up even further.

Median Gross Rent-to-Income Ratio: 1965-2021

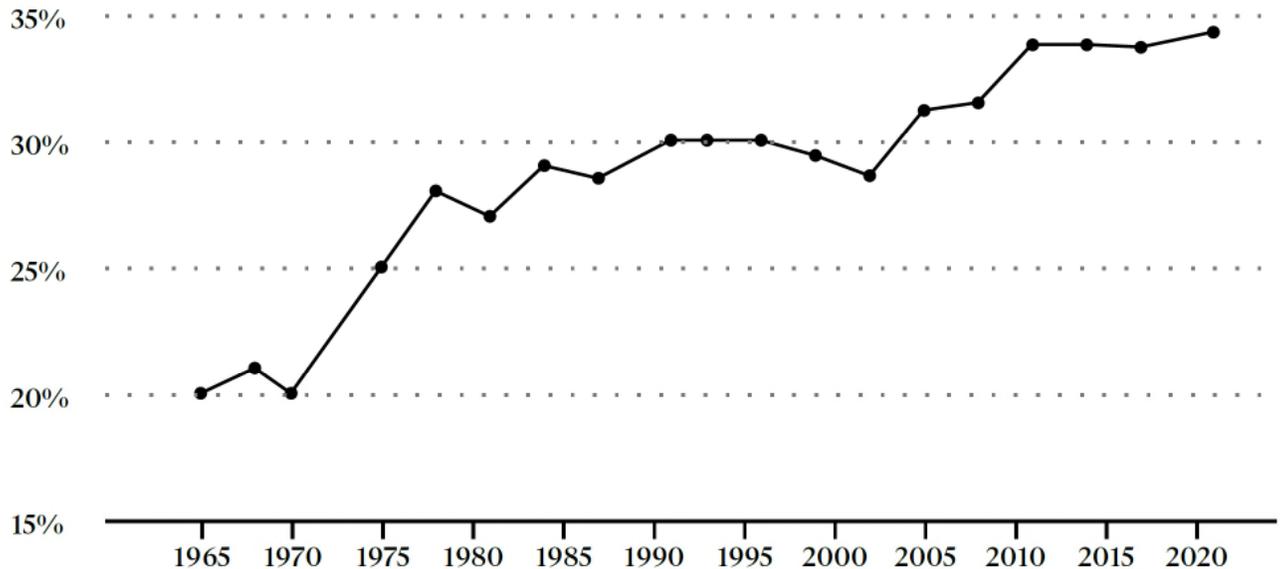


Table Source: NYC HVS 1965-2021

Too much of the housing stock's gains are in units unavailable for rent

The city's housing supply grew by approximately 175,000 units between 2017 and 2021, a rate *HVS Initial Findings* author Elizabeth Gaumer characterizes as "slow but steady." There was, however, a "substantial" growth in buildings with more than 100 units (9% growth, or 65,000 units), as well as a big increase in buildings with 6-19 units (11% growth, or 42,700 units).

But even as the city added a substantial amount of new housing, it continued to struggle with the problem of intentional emptiness. The number of units that were both vacant and unavailable for sale or rent went up by 43 percent, from 248,000 to 353,400. This significant increase was likely driven by four intersecting market dynamics:

1. the overproduction of high rent units only accessible to wealthy households;
2. the exodus of wealthy renters from New York City during the start of the pandemic, including some who may have switched their primary residence from their city apartment to their "country home;"
3. the ongoing practice of turning full apartments into permanent short-term rentals; and
4. owners of rent stabilized housing withholding apartments from the market in the hopes of forcing legislators to weaken the 2019 rent laws.

The largest grouping of intentionally empty apartments were units held off the market for occasional, seasonal, or recreational use. The number of such apartments in the city

have gone up by 37 percent to 102,900 since 2017, and have nearly doubled since 2014.

135,700 of units off the market in 2021 were either coops or condos. The number of vacant and off-market coops and condos more than doubled since 2017, when there were roughly 63,000 units. Co-ops and condos also represent a larger share of the total vacant, off-market units, from 26 percent in 2017 to 38 percent in 2021. These figures are likely a result of both long-term overproduction of luxury condos/co-ops as investment vehicles and the short-term impact of the pandemic on the high-end rental market.

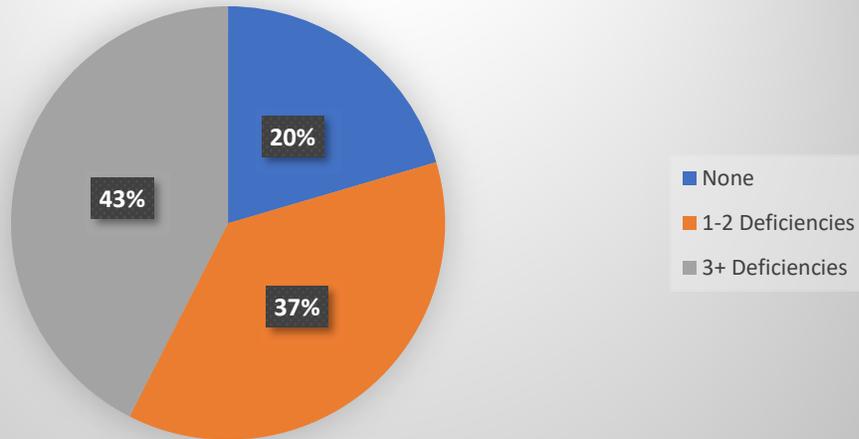
Conditions are worsening across the board, and in public housing in particular

The 2021 HVS shows a disturbing trend: the city's housing stock is becoming both more expensive and more rundown. Almost all the markers of maintenance deficiencies tracked by the survey got worse since 2017 (with the exception of heating problems and broken toilets). This could signal landlord disinvestment and neglect, but it could also be a result of the survey's timing, as building maintenance may have been deferred due to pandemic-related safety and supply chain issues.

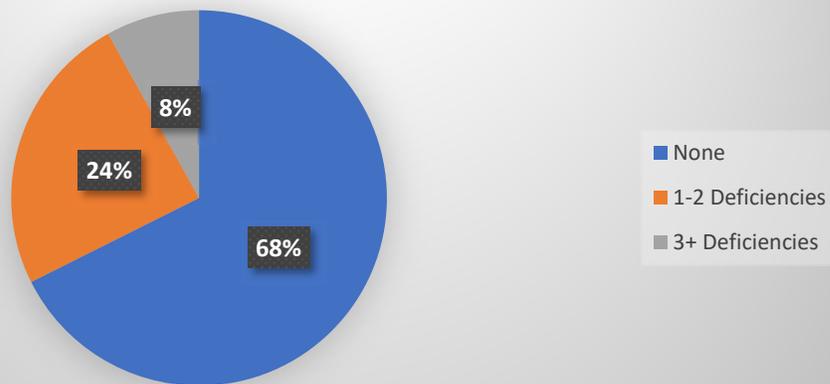
24 percent of New York City buildings had rodent infestations in 2021. 18 percent of apartments had leaks, and 17 percent had cracks in their ceilings or floors. Perhaps relatedly, 16 percent need more heat in the winter and 10 percent saw their heat shut off in the winter, which can lead to a dangerous reliance on space heaters or open ovens. 16 percent of buildings with elevators had elevator breakdowns. 9 percent of apartments had mold issues.

While we will have to wait for the 2021 HVS microdata to do a historical analysis of conditions by housing type, New York City's public housing stock showed the greatest levels of disrepair. Only one fifth of the New York City Housing Authority's stock had no maintenance issues, whereas 43 percent had more than three issues. Public housing is the only housing type in New York City where more tenants have three or more maintenance deficiencies than had one or two deficiencies.

Public Housing Maintenance Deficiencies



Private Unregulated Housing Maintenance Deficiencies



26 Percent of Families with Kids Live in Overcrowded Apartments

With extremely low vacancy rates in affordable apartments, many New York City households remain crowded into apartments too small for their households. 8 percent of New York City households lived in overcrowded housing, with two or more people per bedroom. These numbers were higher for immigrant households, with 12 percent living in crowded conditions. The rate of crowding for families with one or more children was extremely high at 26 percent, or 174,900 households.

Somewhat surprisingly, overcrowding does not taper off as household incomes rise. Households earning less than \$25,000 had a 5 percent rate of overcrowding, while 9 percent of all other households lived in overcrowded housing. This issue merits a closer look once HVS microdata is released.

Low-Income Tenants – Not Rich Swindlers – Struggled to Pay the Rent

As of the summer of 2021, when the HVS was conducted, 13 percent of renters had missed at least one month's rent over the course of the previous year. Of those, 29 percent still had outstanding arrears at the time of the survey. In our annual [Unheard Third survey](#), also fielded in the summer of 2021, we found that a roughly similar share of tenants, one in four, had rent arrears.

While some of those households may have since had their rents covered by the state's Emergency Rental Assistance Program, still others may be waiting for assistance. 15 percent of tenants – about 330,000 households – had to use savings, borrowed money, credit or the sale of personal items to pay the rent.

Throughout the pandemic, [landlords and their representatives claimed](#) that wealthy tenants were cheating the system by failing to pay rent during the eviction moratorium. The 2021 HVS shows that any such cases were exceptional. By far the vast majority of tenants who fell behind on rent were low-income households with high rent burdens. When the survey was conducted, 38 percent of extremely low-income tenants who had previously owed rent were still unable to pay it; the number of households earning \$100,000 or more with outstanding rent debt was too small for the HVS to even report. These findings correspond with our research into eviction trends in New York City over the past decade. The vast majority of extremely low-income people are severely rent burdened and are thus most vulnerable to accumulating rent arrears and being evicted for non-payment of rent. Moderate income people are [increasingly susceptible to evictions](#), as rents rise. High-earners, however, rarely face non-payment evictions.

Lacking Food, Mounting Debt, and Dwindling Savings

This year's pandemic-timed HVS included a new battery of questions about resident hardships, giving us a stronger picture of the difficulties facing New Yorkers. The questions focus on food insecurity, student debt, and emergency savings.

Low-income tenants are struggling with food insecurity, or difficulty affording enough food to regularly feed their families. This problem was especially acute for public housing residents, 18 percent of whom reported food insecurity. Altogether, 15 percent of tenants with incomes below the median (\$50,000) – nearly 200,000 households – had difficulty affording food on a regular basis.

While mounting debt of various kinds is a problem for many tenants, the HVS initial findings reports specifically about the toll student debt is taking on households. The class dynamics of student debt, however, are somewhat different than that of many other hardships facing tenants. Unlike most other markers of distress, the percentage of households with student debt rises with incomes and is higher for people without rent

burdens than people with them. The percentage of owners with student debt is higher than the percentage of renters with student debt (though the *number* of renters with student debt is higher than the number of owners with student debt). Student debt is lower for public housing residents than private or rent state stabilized tenants. Still, 14 percent of people with missed rent payments in the past year also have student debts.

While it is true that households with student debt are more likely to have higher incomes, our 2021 Unheard Third Survey shows that more than a quarter of households *in poverty* also had student loan debt and that low-income Black and Latina/o/x households were more likely to be encumbered by it. Since a majority of low-income New Yorkers with student debt do not have a four-year college degree, they often struggle to repay lower levels of debt and become delinquent without the prospects for higher earnings. These borrowers are more likely to experience increased economic hardship, including experiencing difficulties in meeting basic needs like food or clothing, and often forced to skip paying other bills to make student loan payments.

To measure tenants' financial security, the HVS asks respondents whether or not they could cover a \$400 emergency expense. The answer tracks closely with other markers of vulnerability, including missed rent, rent burden, and low income, as well with CSS's Unheard Third findings about New Yorkers' [rainy day savings](#). Owners reported the highest confidence in their ability to pay; public housing residents reported the lowest. Whereas more residents of Manhattan and Staten Island were confident they could cover such an expense, a large percentage of tenants in the Bronx said they could not. Severely rent burdened tenants and residents of means-tested housing – especially public housing – were significantly less likely to be able to shoulder such a burden.



**Renewal of NYC Rent Control and Rent Stabilization Laws
New York City Council Committee on Housing and Buildings
June 7, 2022**

Testimony of Michael McKee, Treasurer, Tenants PAC

Tenants PAC supports Reso. 1530, which renews the city rent control law, and Intro 1528, which renews the Rent Stabilization Law of 1969.

But it's not enough simply to renew the laws. We need reform.

I want to focus members of this committee on the urgent need for legislative changes, and the role that the City Council can play in restructuring the rent stabilization system.

Let me remind you that this system was designed by the real estate industry itself. The 1969 Rent Stabilization Law was drafted by a committee made up of three members of the administration of Mayor John Lindsay and three real estate executives. I met all six of these gentlemen in the 1970s – yes, they were all men, and all white men – and only one of them is still alive. Mayor Lindsay did not appoint any tenants to this committee.

The RSL was consciously designed as a weak form of rent control. At the time the City Council was poised to pass the Weiss-Katzman bill, sponsored by the late Ted Weiss from Manhattan and the late Arthur Katzman from Queens, which would have added post-1947 units to the city rent control system, a much stronger form of regulation. This was in response to a huge organizing effort by tenants of post-war buildings (which were excluded from regulation) who were being slammed with large rent hikes. Lindsay proposed the RSL as a compromise. The bill was introduced by Council Member Ed Koch of Manhattan's East Side and passed.

Many of the worst features of the RSL have been reformed over the years. Most important of these was ending the farce of “industry self-regulation.” From 1969 until 1983, the rent stabilization system was administered by the real estate industry itself. Owners of rent-stabilized apartments were required to become members of the Rent Stabilization Association, the very organization that you all know today as the RSA. Landlords paid dues to the RSA which the law stipulated were to be used solely for purposes of administration and enforcement. The RSA ran the NYC rent stabilization system for 14 years, until the State Legislature severed it from that role because of egregious misconduct, whereupon it became a mere trade association for landlords, albeit one with a counterintuitive name.

I don’t have time to go into more detail about the problems of the early rent stabilization system. I wrote a fact sheet about this, “How the RSA Got Its Name,” which I will forward to you.

Although other negative features of the rent stabilization system have been corrected, the procedures and mechanisms for determining annual rent adjustments are virtually the same as they were in 1969. The composition and functions of the NYC Rent Guidelines Board have not been reformed, and because of flaws in the law tenants are about to get screwed one more time when the RGB takes its final vote on June 21.

One concrete example: The nine members of the RGB are appointed by the mayor, and a majority of the so-called public members appointed by Mayors Koch, Giuliani, and Bloomberg were openly hostile to rent regulation. Consequently, they adopted punitive rent increases that were far greater than what would have been needed to allow landlords to maintain their buildings. For the last forty years or so legislation has been introduced in the state legislature which would require the mayor to submit nominations to the RGB to the City Council for confirmation – but the bill has never been enacted.

Recently Mayor Eric Adams appointed a new public member who on the surface looks as if he might as well be a landlord member. If this appointment had required City Council confirmation, tenants could have asked you to vote no. Over the next couple of years, the mayor will be able to replace all the current members as their terms expire.

Another problem is the definition of public member, which was written to make it hard to find anyone who is not a mortgage broker who can qualify. As a result, the typical public member over the years has been hostile to the very idea of tenant protection. As the five public members constitute a majority on the RGB, this needs to be reformed.

But again, proposed legislation to liberalize the definition has gone nowhere for three decades.

Elected officials, both state and city, are guilty of ignoring this need for reform. The tenant movement must share in the blame, as we have not paid attention to this area of reform, although we have had other important goals that we have been pursuing such as repeal of Vacancy Decontrol.

And of course, the City Council's hands are tied because of the 1971 state Urstadt Law, which prohibits you from enacting any new law affecting rents or evictions. Governor Nelson Rockefeller pushed the Urstadt Law through the Legislature in direct response to enactment of the RSL of 1969.

I think it's time for a complete rethinking of the structure of the rent stabilization system, especially the Rent Guidelines Board process. And while tenants can pursue this in Albany, and you can help us advocate for it, it's time for all of us to call for a repeal of the Urstadt Law. This will allow the City Council to make its own laws.

Let's work on this together.

The Opera House Tenants Union represents 26 units and over 50 residents. We are here to talk about a specific issue concerning the converted loft building we live in at 27 Arion Place in Bushwick.

Specifically, we are here today to ask for your support in persuading the Department of Buildings to conduct a full inspection of our building, which they neglected to do when they recently issued a residential certificate of occupancy for our address, thus blocking our application for Loft Law protection, which we submitted in 2020. To explain why an inspection is necessary, we will tell you about the recent history of our building and our concerns about its safety and habitability.

Our landlords own over 40 multi-unit buildings across Brooklyn and Queens, including many converted loft buildings. In the early 2000s, they bought and began converting our building, a historic choir hall, into rental apartments. For this project they hired an architect who has a notorious history with the DOB for failing to comply with building codes. Based on this history and our own lived experiences at 27 Arion Place, we know that our landlords cannot be trusted to address the safety and habitability issues here and at their other buildings.

Fire safety is our number one concern. We have been feeling particularly fearful about these issues in our building following the horrifying news of the Bronx apartment fire earlier this year. This deadly tragedy was the result of two building-maintenance issues—cold indoor temperatures and a broken self-closing door mechanism.

Our building is full of similar issues, including insufficient fire protection on wood joists, illegal heating units, illegal mezzanines, lack of proper egress, and indeed, many doors that do not self-close. Not only would these conditions in combination prove deadly in the event of a fire, they also make a fire more likely. In April of this year, the FDNY confirmed our fears when they issued several Class 1 (“immediately hazardous”) fire code violations for noncompliant sprinklers and dangerous problems with heater venting and valves.

In addition, our landlords have neglected to maintain the building in ways that impact our daily lives. These issues have been left to fester for many years. But in recent months, our landlord has performatively responded to violations issued by the DOB and FDNY by rushing to fix cosmetic issues throughout the building. Meanwhile, the more serious issues remain unaddressed.

In 2020, we applied for Loft Law protection, hoping that the process and the oversight of municipal agencies would ensure that the issues in our building would be addressed. We were not surprised when the landlord opposed our efforts. What was surprising, and extremely disheartening, was that the DOB worked *against* us, choosing instead to cooperate with our landlord in an attempt to invalidate our right to seek Loft Law protection by taking advantage of the DOB's confusing and inconsistent record for our building.

When we submitted our Loft Law application, the DOB had no residential certificate of occupancy on file for our building, located at 11-27 Arion Place. Next door to our building, there is a small vacant lot, 9 Arion Place. It was for the address of this vacant lot that the DOB, in 2005, granted a CO for 70 "apartment/hotels." Even if we assume—and we do not—that the issuance of this CO for the wrong address, the wrong lot number, and the wrong BIN was simply, as our landlords have claimed, an innocent "clerical error," there are other inconsistencies in the descriptions in the CO and alteration filings that can be reconciled neither with the characteristics of the building that was built in 1886 as a choir hall nor with the building that stands today as our home. These concern not only the height of the building and the number of stories but also, far more worrying, the construction classification, based on fire-resistance ratings.

Our attorney has sent multiple letters to the DOB providing substantial details about the building's non-code compliance. As tenants, we too have made several attempts to communicate directly with the DOB about the issues at our building, requesting inspections and meetings. The DOB has completely ignored all of them. In February of this year, we organized a walk-through of our building and units. We invited elected officials, their staff, and the DOB. The DOB declined to attend. We have only once received an official response from the DOB regarding our complaints. It was a cryptic letter saying that our complaints had been "administratively closed" prior to inspection. We suspect this was to avoid oversight.

Ignoring our concerns, the DOB instead cooperated with our landlord in asking the Kings County Supreme Court to order a residential CO issued for the vacant lot adjacent to our building to be "transferred" to our address. Deferring to the DOB's authority and accepting our landlords' claim that the address listed was a "typo," the judge declared the CO retroactively valid for our address. Never during this nearly two-year process was an inspection of the building completed. Had such an inspection been carried out, there is no

legal way that a CO—a document that is supposed to confirm that the building complies with the law—could have been issued or transferred to our building.

The legal fiction of this transferred CO thus papers over a reality that we tenants must live with every day: regardless of its address, the Opera House Lofts building is patently neither safe nor code compliant. The CO, which we know is invalid, also blocks our right to Loft Law protection, and we have every reason to believe that the Loft Law is the only recourse we have to protect our right to safe, stable and affordable housing.

To distract from the real issues at play, our landlords have repeatedly accused us of trying to take advantage of what they say is nothing more nefarious than a “typo.” Given our landlords’ documented history of finding remarkably inventive ways to skirt laws that were designed to protect New Yorkers, and the DOB’s documented history of being willing to look the other way, we find this excuse preposterous.

The so-called typo is a red herring. The real issues we are here to speak out about are our right—as loft tenants, community members, New Yorkers, and human beings—to safe, stable housing, our landlord’s desire to continue to profit from the neglect of tenants throughout Brooklyn, and the DOB’s willingness to aid them in pursuing this desire. If the DOB had not *gone out of its way* to cooperate with our landlords while refusing to even acknowledge our concerns about the safety and habitability of our building, we would now have Loft Law protection.

Again, thank you very much for your time. And thank you for considering ways to encourage the DOB to conduct a proper inspection of our building and buildings like it across New York.

I have been a resident of the Opera House Lofts at 27 Arion Pl since 2015 and I am writing to implore you to please vote against our landlord's proposed order deny our application for Loft Law coverage at your next meeting.

Our landlord's contention that our case is to be reduced to a 'typo' on the CO would be laughable if it wasn't so offensive. Our landlord Moses Karpen and the Karpen family have numerous multi-family rental properties in Brooklyn, with well documented history of unethical and immoral management of their buildings. 20 years ago they took advantage of the city's neglect of working class neighborhoods to move in and hurriedly construct a series of dangerously unsafe and illegal buildings here in North Brooklyn. They have had multiple loft buildings before the board filled with violations in the exact same condition and position we find ourselves in today. Their negligence is well known and by denying us this application, the Loft Board will be permitting it to continue unabated.

We have made repeated attempts to communicate these concerns to the DoB over the last 2 years and they have basically ignored us at every turn. Instead they chose to assist our landlord in retroactively transferring the CO from an empty lot (which the DoB apparently was perfectly fine 'inspecting' and 'certifying' for 20 years) to our current, very obviously illegally constructed building. At no point in this 2 year process has the DoB conducted an inspection of this building. There has yet to be any real explanation for this action or accountability for who approved it from the DoB.

If they had inspected, they would have found in my unit alone:

- An illegal commercial gas heater, with illegal PVC piping venting to the outside illegally
- A very old gas hot water heater that is not legally vented or fireproofed
- Illegal sprinkler system
- Illegal ceiling heights in both my apartment and the hallway outside

And mine is one of the good ones. My fellow residents have had to deal with much worse.

Our attorney recently informed us that it is Karpen's intention to force every member of this union from our homes if our application is denied. He is already attempting to raise rents on other tenants in the building. I, like others in the union, am still recovering from the devastating financial effects of the pandemic and have only begun to get back on my feet. It is absolutely unconscionable that a member of a board charged with protecting the citizens of this city from predatory landlords abusing legal loopholes to force longtime community members from their homes will in fact condone just that by denying our

application. We are facing the imminent evictions of every member of this union at the height of one of the most overpriced and unregulated rental markets in NYC history. Allowing him to go through with this will leave members of our community facing the very real possibility of homelessness. You will also be condoning his immoral behavior and wanton disregard for the health and safety of the residents of not only this building, but the dozens of other buildings & hundreds of people suffering in over 50 Karpen family properties across New York City.

I, as well as several other tenants in this union, have been vital members of the city's film & TV industry for over 20 years and I've personally lived in Bushwick for 15. We are working folks, of all backgrounds, who have invested our lives into this building. It seems, given the facts of our case and the dire conditions we are currently living in, that we are exactly the New Yorkers the Loft Law was created to protect.

Thank you very much for reading and considering this letter. I hope you will help to save our community.

Signed,

David Call

Dear City Council Members,

My name is Kate Stone. My husband and I have lived at 27 Arion Place, the Opera House Lofts, for 9 years. I am writing to ask you to insist that the DOB conduct a full inspection of our building and to revoke our landlord's invalid Certificate of Occupancy so that we, the tenants, can have city protection against their negligence under the Loft Law.

During our time in this building we have experienced, time and again, the misconduct of our landlord, the Karpen family.

We first took notice of their behavior many years ago when our ceiling had extreme leaks. We asked them for repairs for months and they ignored us until we threatened to call an inspector. Since then, more and more issues have come to our attention.

For example, all the tenants in the building have illegal gas heaters that are improperly installed. Some of them vent toxic fumes back through people's windows. Mine drains condensation into a bucket that has to be emptied multiple times a day in the winter. These heaters do not sufficiently heat our apartments so many of us use space heaters. Over half of us do not have self-closing doors and there are a variety of other fire safety issues. Some of the units, mine included, have exposed cast iron columns that, we've been told by architects and DOB inspectors, would simply melt in a fire allowing the ceiling to collapse. We have sprinklers but our heater ducts run below them, rendering them completely useless.

We live on the top floor, at one end of the building. Our closest means of egress is a metal, exterior staircase that is exposed to the elements. Most of the winter it is icy and dangerous. If there were a fire between our apartment and this staircase - I genuinely do not know how we would get out of the building.

These are the most egregious problems but there are dozens more - toxic mold in the hallways, flooding in the basement, rats, roaches, storerooms full of debris and sketchy gas hookups to name a few.

Our case is a complex one. At the time of our Loft Law application, our landlord only had a Certificate of Occupancy for 9 Arion Place, the vacant lot next to our building. When they found out about our application, they took us to the Supreme Court to argue that the incorrect address was just a "typo" and therefore we were ineligible for Loft Law protection. The DOB and Judge, both of whom neglected to look at any other evidence, sided with our landlord, ignoring all the other discrepancies on the CO, including the height of the building, number of floors, number of units and inaccurate building plans. The DOB issued a new CO without ever conducting an inspection.

I believe it's clear, based on our landlord's history of unethical and illegal behavior (see 255 18th Street), that these discrepancies are not just clerical errors and they should not be ignored. The CO is not valid.

Our building is full of violations and we, the tenants, fear for our safety. All we want is safe, sustainable housing and we want the city to hold our landlord accountable for fixing our home. They can not be trusted to do it on their own. Just in the last couple months the DOB has issued several serious violations with only minimal fines. Our landlord simply pays the fines and continues to neglect the problems.

If our Loft Law application is denied, we will lose everything including our homes. Our attorney informed us that the landlord wants us all out of the building - retaliation for seeking legal Loft Law protection. Many of us are still recovering from the financial strain of the pandemic - to be evicted now as punishment for seeking help, would be devastating and unjust.

Please don't condone what our landlord is doing. Please don't let them get away with this. We are the exact type of tenants the Loft Law was made to protect. We are 27 apartments, housing 39 people but this is not just about us. The Karpens' own 52 buildings. This is about every tenant living in illegal and unsafe conditions.

Please demand that the DOB revoke the Certificate of Occupancy for 27 Arion Place.

Thank you for your time and consideration,

Kate

You take the one train to 34th street and you see the businessmen in their suits and the doctors in their scrubs rushing their eyes filled with the pace of NYC. So you start walking faster to catch the train because you want to be like them. Then, when you arrive and sit down in your seat you take a deep breath and push yourself to start your homework because you know that when you get home you won't be able to focus and your household is filled with screaming kids and you have to shower, start your three projects, email the administration about initiatives you want to take on because everyone says "If you put in the hard work in high school you will get into a good college and then you will be successful." After you finish your homework, you get home and you're too tired to do anything so you pass out on your bed. Then you wake up and start crying because you couldn't even get anything done. So now you start to overthink. What am I going to do? How am I going to get everything done? What can I do now, or in the summer, to be like the man in the scrubs or the ones in the suits and ties?

That's why youth employment is important, that is exactly why syep programs need to be offered.

It is important that the youth get a voice in the room in order to address and cater the critical issues to us. That's why we deserve to have a voice we deserve to be catered to. Because, we know what works best for us.

June 7, 2022
NY City Council
Housing and Buildings Committee Hearing

Hello chair and committee members. Thank you for holding this hearing and encouraging public testimony

I'm Danielle Mowery and I've been involved in housing advocacy for the past several years. I've also been a NYC renter my entire adult life. This testimony speaks from my personal experience.

I currently live in a rent-stabilized building in Bay Ridge and have had both rent-stabilized and non-regulated living situations. The apartments that weren't rent-stabilized included life-changing harassment from one landlord, a carbon monoxide leak unfixed for months from another and moves when new owners bought a building and nearly doubled the rent, forcing us to move quickly while we had a baby. (I've also had positive experiences living in an owner-occupied home, so I consider myself, overall, incredibly fortunate.)

When I first moved to NYC right after college, I did the typical couch-surfing, apt sharing and short-term subletting, bouncing from East Village to Queens to Little Italy. After about 3 years, my partner and I finally "scored" a rent-stabilized apartment near St Marks Church.

At that time, rent-stabilized apts were more plentiful - but getting one was the challenge. Our rent was easily one of the highest in the building - but our apt was also renovated with a full bath and smooth, new walls. We settled in and stayed for 5 years. Our living situation was stable and we could focus on building our lives.

Then, Brooklyn called. More room, less noise - we were ready for a change. The Park Slope apt seemed great, the landlady was nice. When we meet her husband at the lease signing, though, the vibe wasn't as good....but we went ahead.

Our first weekend there, the 2nd floor tenants moved out while the owners were out of town - they said to us, "Good luck - he's nuts" They weren't lying.

Long story short - we endured all sorts of harassment. Entering our apt at all hours without permission, taking out stained glass windows and leaving plastic up for weeks, aggressively questioning us on - did we scratch paint off the front door? Did we drop something and damage the floor? Did we leave lights on? Seemingly small things (that we didn't do) that he made into confrontations. Knocking on our door to ask for rent at midnight on the 1st. Turning off water or heat while he did "repairs." Threatening to kick us out, raise our rent because of "damage" or not renew our lease. It was constant.

My boyfriend bore the brunt of it. He worked at a Soho restaurant and got home in the early AM hours every night. The landlord would hassle him during the day, while he was

trying to sleep. My boyfriend, an immigrant who came to this country alone at 17 after escaping trauma, became increasingly exhausted, anxious, depressed. He started doing a little coke at work to wake him up. He started doing a little more. Soon, he was addicted. Our lives fell apart. The landlord was relentless. We both, separately, moved out. Months later, I would still get phone calls from the landlord, screaming that I had “ruined” a window screen, was a nasty person, etc etc.

To paraphrase Senator Brown from a National Low Income Housing Coalition call, “When you lose your home, everything starts to fall apart.” I’d say that when you lose the sense of security of being able to call a place home, when you can’t feel stable and safe in your actual home - that’s when everything starts to fall apart.

For my ex-boyfriend, the instability, unfortunately, was enough to destroy his life. He lost everything - his home, his job, his savings, me. My family in PA took him in at first, but he eventually left and battled addiction for years.

I had other experiences with unregulated housing that were traumatic - nearly being killed by a carbon monoxide leak was pretty traumatic! - but I kept moving on, exhausted, maybe with less money, but able to bounce back.

Now, my husband and I both lost work during the pandemic and are still bouncing back - knowing that we have a lease and a predictable rent is a priceless sense of security.

Now, I hear daily about my neighbors and friends who have to move, some who have lived in Bay Ridge or Gowanus or Sunset Park or Carroll Gardens for years, who are facing insane rent increases or non-renewal of leases, who are having their lives upended as they scramble to find new homes in a competitive market.

Now, as a parent, I watch as my son’s generation struggles to figure out how to stay in the city without staying with their parents as they face the impossible hurdle of getting an affordable apartment today.

Our hectic, crazy, frenzied city needs a bedrock of stability to survive. All New Yorkers, many of whom have encountered trauma in many ways in their lives, all need the stability of a place to call home, a place they can come to at the end of the day and unwind, recharge, relax - not stress about how much longer they can stay in their home. Our next generation of New Yorkers need to know that they too can continue to thrive here, can afford to remain in their city and be a part of its future.

Rent-stabilization certainly isn’t the answer for all of NYC’s varied housing needs - but I can’t imagine my life, or the life of the city, without that small base of security. The less people who have that sense of security as our city recovers from the pandemic, the harder our collective recovery - both in terms of mental health and economic vitality - as a city will be.



June 7, 2022

New York City Council
Committee on Housing and Buildings

Testimony of the Community Housing Improvement Program re: T2022-1528 and T2022-1530
Declaring a Housing Emergency and Extending the Rent Stabilization Laws

Thank you for the opportunity to submit these comments. We truly hope that a newly elected and self-described progressive city council will not simply rubberstamp the continuation of a law that has helped continue the very same housing shortage used to justify its existence. We are hopeful this newly elected Council is open to using its power to find better solutions to the housing issues facing the people of this city.

There are numerous articles, studies, and reports highlighting the unintended consequences of rent regulations. They are simply an ineffective tool to address housing shortages. Despite the existence of a citywide vacancy rate below 5%, this council has the power to find that the regulation of rents has not functioned to abate the housing emergency and remove the regulations altogether, or to remove certain classes of accommodations from regulation while continuing the regulations for others. The City Council has authority to tailor the rent regulations to those housing accommodations that continue to have a vacancy rate below 5% (see Emergency Tenant Protection Act of 1974, section 3(b)). The 2021 Housing and Vacancy Survey indicates a vacancy rate of 12.64% in apartments with asking rents above \$2,300 per month. Clearly there is no emergency for those housing accommodations. The Council could define two classes of housing based on rent level and have rent regulations apply only to that specific universe of housing with rent levels below \$2,300 and vacancy rates below 5%.

But it is clear that Council must do something different to alleviate the housing emergency. Half a century of proof exists in NYC that rent regulations have failed. They have been in place for more than 50 years with no alleviation of the housing emergency. Clearly, the rent regulation system is not abating the housing emergency upon which it is based. Not only isn't rent regulation working, but is making things worse. The most recent Housing and Vacancy Survey indicates the number of apartments vacant but unavailable for rent increased by 42%, or about 104,000 units, since 2017. This increase is partially attributable to the changes made to rent regulations by the 2019 Housing Stability and Tenant Protection Act. The evidence is overwhelming that rent regulations are not meeting their stated intent to abate the housing emergency. Yet the City Council continues to opt-in to this ineffective system.

How long will the Council let the housing emergency continue? Currently, it has lasted for more than 50 years. Can we still call this an emergency? In what other part of society would we allow an emergency to last that long before trying a new approach? While this Council purports to care about solving housing issues, it continues to

cancel new development projects that have income-limited affordable housing units in highly desirable areas where people want to live. And then declares a housing emergency. Something isn't right.

We ask this Council to be truly progressive and do something different than the failures of the past 50 years. There is no example throughout history where rent regulations were able to solve a housing emergency. Let's work together to end the emergency and create a diverse set of housing choices for all households and budgets.

Alan Levine
President

Janet E. Sabel
Attorney-in-Chief
Chief Executive Officer

Adriene L. Holder
Chief Attorney
Civil Practice

Judith Goldiner
Chief Attorney
Law Reform Unit

TESTIMONY OF THE LEGAL AID SOCIETY

IN SUPPORT OF T2022-1528, A LOCAL LAW TO AMEND THE ADMINISTRATIVE CODE OF NEW YORK, IN RELATION TO EXTENDING THE RENT STABILIZATION LAWS AND T2022-1530 A RESOLUTION DETERMINING THAT A PUBLIC EMERGENCY REQUIRING RENT CONTROL IN THE CITY OF NEW YORK CONTINUES TO EXIST AND WILL CONTINUE TO EXIST ON AND AFTER JULY 1, 2022. .

New York City Council Committee on Housing and Buildings
June 7, 2022

Thank you to Chair Sanchez, and the New York City Council Committee on Housing and Buildings for the opportunity to speak at this very important hearing.

The Legal Aid Society

The Legal Aid Society (Legal Aid) is the nation's oldest and largest not-for-profit legal services organization. Legal Aid provides comprehensive legal services in all five boroughs of New York City for people who cannot afford to pay for private counsel. Since 1876, Legal Aid has advocated for low-income families and individuals and has fought for legal reform in City, State, and federal courts across a variety of civil, criminal and juvenile rights matters. Legal Aid takes on 300,000 cases annually, including thousands of cases in which we fight for the rights of tenants in

Justice in Every Borough.

regulated and unregulated apartments across the city. Legal Aid also takes on law reform and appellate cases, the results of which benefit more than 1.7 million low-income New Yorkers; the landmark rulings in many of these cases have a state-wide and national impact.

The Legal Aid Society welcomes this opportunity to testify before the New York City Council Committee on Housing and Buildings concerning the continuing housing emergency and the importance of extending the rent laws.

Introduction

The primary purpose of rent regulation in New York City has been to eliminate abnormal rents in an overheated market. Indeed, the Rent Stabilization Law's stated goal is to protect "public health, safety, and welfare...and to prevent exactions of unjust, unreasonable, and oppressive rents and rental agreements." The findings from the law recognized that prior to the law, tenants were facing these increases which caused "severe hardship to tenants of such accommodations and were uprooting long-time city residents from their communities¹"

Rent Stabilization can only exist during a housing emergency which is defined by law as a market where the vacancy rate has fallen below 5 percent. New York City first declared an emergency in 1974. This emergency has endured throughout the years but the crisis which had been chronic has become acute. Because the vacancy rate is so low, tenants cannot move and exercise market power. The Rent Stabilization Law was meant to – and has acted to – approximate the workings of a market where both parties have the power to negotiate contracts.

¹ The Supreme Court has recognized that the government has a "legitimate interest in local neighborhood preservation, continuity, and stability" *Nordlinger v. Hahn*, 505 U.S. 1, 12 (1992)

This purpose of this committee hearing is to consider whether that housing emergency continues to exist and thus whether Rent Stabilization should be extended. Our answer to these questions is yes. The Selected Findings of the Housing Vacancy Survey (HVS) demonstrates that for renters in New York City the vacancy rate is 4.54 percent - under the 5 percent threshold². Thus, the emergency continues to exist and these essential laws must be extended. If the City does not act, millions of New Yorkers will be at risk of “unjust, unreasonable and oppressive rents” and will face “uncertainty, hardship and dislocation.” Without rent regulation, programs that have been created to protect our elderly residents and residents with disabilities, such as SCRIE (the rent increase exemption law for senior citizens) and DRIE (the rent increase exemption law for persons with disabilities), will become meaningless, and elderly New Yorkers and New Yorkers with disabilities will be threatened with eviction and homelessness.

One of the most astounding findings in the 2022 HVS is that the median asked for rent – the rent for people who are looking for housing – was \$2750³. In 2017 that number was \$1875. A family would have to have a yearly income of \$110,000 a year for that rent to be affordable⁴. The

² The HVS was conducted in the beginning of 2021. According to the 2021 New York City Selected Initial Findings of p88 footnote 23, the data was collected through June 2021 but there were fewer completed interviews in the later months. <https://www1.nyc.gov/assets/hpd/downloads/pdfs/services/2021-nychvs-selected-initial-findings.pdf> Manhattan had the highest vacancy rate of 10 percent. This is not surprising as at that time, New Yorkers had not yet returned to New York City. See https://comptroller.nyc.gov/reports/the-pandemics-impact-on-nyc-migration-patterns/?utm_source=Media-All&utm_campaign=9e66752f77-EMAIL_CAMPAIGN_2017_05_31_COPY_01&utm_medium=email&utm_term=0_7cd514b03e-9e66752f77 Had the survey been done even six months later, it is likely that the vacancy rate would have been in line with the vacancy rates we have seen over the last 50 years.

³ Gaumer, E. The 2021 New York City Housing and Vacancy Survey: Selected Initial Findings. New York, NY: New York City Department of Housing Preservation and Development; 2022. Page 29. Available at <https://www1.nyc.gov/assets/hpd/downloads/pdfs/services/2021-nychvs-selected-initial-findings.pdf>

⁴ Id.

median household income for a rent stabilized household is \$47,000⁵. Needless to say, the clients of The Legal Aid Society cannot afford these rents.

Who Lives in Rent Regulated Housing?

Rent stabilization primarily serves low-income people, people of color, and immigrants. The median household income for rent-stabilized households is \$47,000 a year and the median income for rent controlled households is \$24,000⁶. The median income of households in private non-regulated rent units is \$62,690⁷. The median income for homeowners is \$98,000.⁸ 44 percent of renter households live in rent-stabilized units.⁹

Declining Affordability of Housing

Many New York City renters are facing dire circumstances. In the face of fewer rental opportunities and higher prices, renters are suffering from a growing disparity between what they can afford and their actual rent. According to the Selected Initial Findings of the 2021 New York City Housing and Vacancy Survey, the median rent for rent-stabilized apartments was 1400.¹⁰ According to the HVS, between 2017 and 2021, there was a net loss of almost 100,000 units renting

⁵ Id. at 47.

⁶ Id.

⁷ While the median income of rent stabilized tenants has remained stable, the median income of unregulated tenants has decreased.

⁸ Gaumer, E. The 2021 New York City Housing and Vacancy Survey: Selected Initial Findings. New York, NY: New York City Department of Housing Preservation and Development; 2022. Page 47. Available at <https://www1.nyc.gov/assets/hpd/downloads/pdfs/services/2021-nychvs-selected-initial-findings.pdf>

⁹ Id.

¹⁰ Gaumer, E. The 2021 New York City Housing and Vacancy Survey: Selected Initial Findings. New York, NY: New York City Department of Housing Preservation and Development; 2022. Page 17. Available at <https://www1.nyc.gov/assets/hpd/downloads/pdfs/services/2021-nychvs-selected-initial-findings.pdf>

under \$1500 and a net gain of over 100,000 units with rents of \$2300 and more¹¹. Over 50 percent of all renter households are rent burdened and one-third of all renter households are severely rent burdened¹². Among households earning less than \$25,000 a year who do not live in public housing or report having a voucher, an astonishing 85 percent are severely rent burdened¹³. An individual would have to work an astonishing 104 hours per week at minimum wage, 52 weeks a year, in order to afford an average two-bedroom apartment in New York City.¹⁴ Alternatively, the individual would need a wage increase to at least \$38.961 per hour, or \$81,040 a year, in order to afford the same apartment.¹⁵

After over two years of a worldwide pandemic, some of the usual measures of the tenant experience are not relevant. The homeless population for families has not significantly increased, but that is attributable to the almost two year unprecedented eviction moratorium to keep people in place during this dangerous health crisis. For single adults, the situation has worsened even with the eviction moratorium. In December 2021, an average 18,704 individuals slept in NYC's shelter system for single adults, an increase of 90 percent in ten years¹⁶.

As you know, New York City was the epicenter of the country's COVID-19 pandemic. As of June 6, 2022, there have been at least 2,507,238 cases in New York City since the beginning of the

¹¹ Gaumer, E. The 2021 New York City Housing and Vacancy Survey: Selected Initial Findings. New York, NY: New York City Department of Housing Preservation and Development; 2022. Page 21. Available at <https://www1.nyc.gov/assets/hpd/downloads/pdfs/services/2021-nychvs-selected-initial-findings.pdf>

¹² Id. at 54.

¹³ Id. at 55.

¹⁴ NYC Rent Guidelines Board, *2022 Income and Affordability Study*, 21.

<https://rentguidelinesboard.cityofnewyork.us/wp-content/uploads/2022/04/2022-IA.pdf>

¹⁵ Id. at 22.

¹⁶ <https://www.coalitionforthehomeless.org/wp-content/uploads/2022/03/StateofThe-Homeless2022.pdf>

pandemic.¹⁷ . As of June 5, 2022, Brooklyn, Queens and the Bronx are fourth, fifth and tenth counties with the highest death rate in the United States¹⁸. New York City 40,449 people to COVID-19 as of June 6, 2022¹⁹.

The disproportionate impact of COVID-19 on our client communities is well-documented. COVID-19 has exposed the long-standing racial and social inequities that have led to vulnerable populations bearing the brunt of this crisis. Throughout the crisis, Black and Latinx New Yorkers have died of COVID-19 at twice the rate of white people and have a hospitalization rate that is almost three times that of white people²⁰. The CDC and others have attributed those rates to lack of access to health care and exposure to the virus related to occupation, including frontline, essential, and critical infrastructure workers. “[A]s more data becomes available, one thing is clear: COVID-19 has only magnified the systemic inequalities that persist in the United States. And nonwhite Americans, especially African Americans, have been hit hard on nearly every front²¹.” Low-income workers have also faced higher job losses during the pandemic. In the first month of the pandemic, employment for workers in the bottom quintile dropped 35% as compared to a 9% drop in employment for the highest quintile of earners²².

¹⁷ <https://www.nytimes.com/interactive/2021/us/covid-cases-deaths-tracker.html>

¹⁸ See [Johns Hopkins University, Coronavirus Resource Center](#) (last updated June 5, 2022). This website notes that New York City’s data does not include probable COVID-19 deaths as this data is not reported.

¹⁹ <https://www.nytimes.com/interactive/2021/us/covid-cases-deaths-tracker.html>

²⁰ Centers for Disease Control and Prevention, COVID-19 Hospitalization and Death by Race/Ethnicity, available at <https://www.cdc.gov/coronavirus/2019-ncov/covid-data/investigations-discovery/hospitalization-death-by-race-ethnicity.html> (Updated September 9, 2021).

²¹ Harmeet Kaur, *The coronavirus pandemic is hitting black and brown Americans especially hard on all fronts*, CNN (May 8, 2020), <https://www.cnn.com/2020/05/08/us/coronavirus-pandemic-race-impact-trnd/index.html>.

²² Tamaz Cajner, et al., *The U.S. Labor Market During the Beginning of the Pandemic Recession*, Nat’l Bureau of Econ. Research, <https://www.nber.org/papers/w27159.pdf>.

Although the economy is starting to rebound, COVID has had a devastating financial impact on millions of New Yorkers, caused by death, disability, loss of work, and a range of increased expenses. Many New Yorkers struggled to pay their rent prior to the pandemic, and the COVID-caused financial crisis exacerbated the instability. Prior to COVID, New York City's unemployment rate was 3.8 percent, after COVID it shot up to 20 percent and has slowly decreased but as of April 2022, it is still an alarming 6.4 percent²³. To put this in perspective, New York State DOL has a monthly record of the unemployment rate starting January 1, 1976. For decades, the highest unemployment rate recorded in New York City was 11.5 percent which was the rate from August through November 1992. However since March 2020, New York City has seen eleven months with rates higher than the highest rate previously recorded.

Moreover, unemployment insurance claim numbers do not capture the full extent of the financial hardship caused by COVID-19, because they exclude workers who have lost work but do not qualify for unemployment, including people without sufficient prior earnings or work history, undocumented immigrants, and those whose hours have been cut but who still work part-time.

Declining Availability of Housing

Unfortunately for New York renters, declining affordability is coupled with declining availability. The number of vacant units affordable to low-income New Yorkers is meager. In 2021,

²³ <https://statistics.labor.ny.gov/lslaus.shtm>

the vacancy rate for all units with rents less than \$900 was only 0.86 percent.²⁴ The 2021 vacancy rate for units between \$901 and \$1499 was no better at 0.93 percent.

The scarcity of available rent-stabilized housing is a part of an overall decline in the availability of affordable housing. There remain only 77,000 units covered by either the Mitchell-Lama program or the federally subsidized Project Based Section 8 program. This is a loss of 35 percent since 1990.²⁵

Applicants for public housing face similar shortages: 254,827 families are on the waitlist for NYCHA public housing, with 17,200 applicants on the waiting list for Section 8 housing vouchers in New York City.²⁶

This combination of market forces and governmental decisions has worked together to have a devastating effect on low and moderate income New Yorkers. The declining number of vacant units available for rent, the fact that housing expansion has not kept pace with population growth, and the ongoing public housing crisis have all contributed to the scarcity of available affordable housing.

²⁴ Gaumer, E. The 2021 New York City Housing and Vacancy Survey: Selected Initial Findings. New York, NY: New York City Department of Housing Preservation and Development; 2022. Page 26. Available at <https://www1.nyc.gov/assets/hpd/downloads/pdfs/services/2021-nychvs-selected-initial-findings.pdf>

²⁵ Oksana Miranova, *Closing the Door: Subsidized Housing at a Time of Federal Instability*, Community Service Society, March 2018. http://lghhttp.58547.nexcesscdn.net/803F44A/images/nycss/images/uploads/pubs/Closing_the_Door_FINAL_WEB.pdf

²⁶ New York City Housing Authority, "Facts about NYCHA," available at https://www1.nyc.gov/assets/nycha/downloads/pdf/NYCHA_Fact_Sheet_2022.pdf Data accessed June 6 2022.

Housing Stability Leads to Better Outcomes in Health, Education and Employment

When families have stable housing it leads to better outcomes in health, education and employment²⁷. Housing instability has been linked to greater risk of depression²⁸, worse outcomes for chronic illnesses like diabetes,²⁹ low-weight and/or pre term infants³⁰, and general adverse childhood health³¹. Frequent moves before a child is seven years old leads to greater thought-related and attention-related problems³². These problems can reduce educational achievement. Children who experience high mobility between third and eighth grades do worse in school³³. Moreover, forced moves are also a predictor for job loss³⁴. If keeping employment without stable housing is difficult, finding new employment while unstably housed is even more difficult. If we are to recover from this

²⁷ See attachment to this testimony, Brief for Amici Curiae, Center for Health Policy and Law at Northeastern University School of Law, et al. filed on behalf of Defendants-Appellees and Intervenors in *CHIP vs. the City of New York*, Court of Appeals Second Circuit, 20-3366.

²⁸ Burgard, S. et al, *Housing Instability and Health: Findings from the Michigan Recession and Recovery Study*, Social Science & Medicine, December 2012.

<https://www.sciencedirect.com/science/article/abs/pii/S0277953612006272?via%3Dihub>

²⁹ Berkowitz, et al. *Unstable Housing and Diabetes-Related Emergency Department Visits and Hospitalization: A Nationally Representative Study of Safety-Net Clinic Patients*, 2018

<https://pubmed.ncbi.nlm.nih.gov/29301822/#:~:text=Conclusions%3A%20Unstable%20housing%20is%20common,for%20vulnerable%20individuals%20with%20diabetes.>

³⁰ Leifhart, et. al, *Severe Housing Insecurity during Pregnancy: Association with Adverse Birth and Infant Outcomes*, Int J Environ Res Public Health. 2020, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7700461/>

³¹ Sandel, et al, *Unstable Housing and Caregiver and Child Health in Renter Families*, Pediatrics, 2018, <https://publications.aap.org/pediatrics/article/141/2/e20172199/38056/Unstable-Housing-and-Caregiver-and-Child-Health-in>

³² Gaylord, et al., *Impact of housing instability on child behavior at age 7*, Int J Child Health Hum Dev., 2018, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8442946/>

³³ Cutuli, et al, *Academic achievement trajectories of homeless and highly mobile students: Resilience in the context of chronic and acute risk*. Child Development 2013. https://www.researchgate.net/profile/Jeffrey-Long-6/publication/24250390_Academic_achievement_of_homeless_and_highly_mobile_children_in_an_urban_school_district_Longitudinal_evidence_on_risk_growth_and_resilience/links/5c9b85c2a6fdccd4603f111c/Academic-achievement-of-homeless-and-highly-mobile-children-in-an-urban-school-district-Longitudinal-evidence-on-risk-growth-and-resilience.pdf

³⁴ Desmond, et al, *Housing and Employment Insecurity among the Working Poor*, Social Problems, 2016. <https://scholar.harvard.edu/files/mdesmond/files/desmondgershenson.sp2016.pdf?m=1452638824>

pandemic, people who were employed prior to the pandemic need assistance to find and keep new jobs. The cost of adverse health outcomes, poor education achievement and lack of employment is significant and will New York City.

Extend the Rent Stabilization and Rent Control laws.

In light of the continuing housing emergency, the City must extend the Rent Stabilization and Rent Control laws. In Section 2 of the Emergency Tenant Protection Act, the Legislature found that

a serious public emergency continues to exist in the housing of a considerable number of persons in State of New York . . . there continues to exist in many areas of the state an acute shortage of housing accommodations caused by high demand, attributable in part to new household formations and decreased supply, in large measure attributable to reduced availability of federal subsidies and increased costs of construction and other inflationary factors.

The Legislature further found

preventive action by the legislature continues to be imperative in order to prevent exaction of unjust, unreasonable and oppressive rents and rental agreements and to forestall profiteering, speculation and other disruptive practices tending to produce threats to public health, safety and general welfare; that in order to prevent uncertainty, hardship and dislocation, the provisions of this act are necessary. . . .

These words are as true today as they were in 1974 when the ETPA was enacted. For all these reasons, we urge this Committee to extend the Rent Stabilization and Rent Control Laws.

Conclusion

Thank you for the opportunity to testify before the New York City Council Committee on Housing and Buildings today. We hope that the City will extend the rent laws and protect the housing of over one million families.

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