

**NEW YORK CITY RENT GUIDELINES BOARD HEARING REGARDING PROPOSED RENT INCREASES  
FOR RENT STABILIZED AND RENT CONTROLLED TENANTS  
TESTIMONY OF BROOKLYN BOROUGH PRESIDENT MARTY MARKOWITZ**

**THURSDAY, JUNE 22, 2006**

I WANT TO THANK CHAIRMAN MARKUS AND THE RENT GUIDELINES BOARD FOR HOLDING TODAY'S HEARING. I APPRECIATE THE OPPORTUNITY TO COMMENT ON THE PROPOSED INCREASES FOR RENT-REGULATED TENANTS.

RENT STABILIZATION AND RENT CONTROL—WHICH COVERS MORE THAN ONE MILLION UNITS—HAS BEEN A VITAL AND EFFECTIVE RESPONSE TO THE LONG-TERM HOUSING CRISIS IN NEW YORK CITY. BUT AS WE SPEAK, THERE IS A REAL FEAR LOOMING IN BROOKLYN—THAT MORE AND MORE AFFORDABLE HOUSING UNITS ARE BEING LOST.

NEW YORK CITY CONTINUES TO LOSE RENT STABILIZED APARTMENTS AT AN ALARMING RATE. SINCE 1993, THE CITY HAS LOST NEARLY 200,000 STABILIZED UNITS BECAUSE OF HIGH-RENT AND HIGH-INCOME VACANCY DECONTROL—AND THOSE THAT REMAIN RENT-REGULATED HAVE BECOME UNAFFORDABLE. NOT SURPRISINGLY, BROOKLYN MAINTAINS LESS THAN A THREE PERCENT APARTMENT VACANCY RATE. IN ADDITION TO HIGH-RENT AND HIGH-INCOME VACANCY DECONTROL, CO-OP AND CONDO CONVERSIONS, TAX ABATEMENT EXPIRATIONS AND SUBSTANTIAL REHABILITATIONS LEADING TO DECONTROL HAVE PRECIPITATED A LOSS OF MORE THAN 14,000 UNITS OF RENT STABILIZED HOUSING IN THE CITY IN THE LAST YEAR ALONE.

AS A RESULT OF DECONTROL, THOUSANDS OF HOUSEHOLDS ARE FORCED TO PAY HALF THEIR NET INCOME — OR MORE! — FOR RENT. WHILE LANDLORD INCOMES HAVE CONTINUED TO INCREASE IN THE PAST YEAR, TENANTS HAVE STILL SEEN AN EIGHT PERCENT INCREASE IN RENT. BETWEEN 2002 AND 2005, MORE THAN HALF OF NEW YORK CITY'S RENTER HOUSEHOLDS, WHICH INCLUDE MANY LOW AND MODERATE-INCOME FAMILIES, SENIORS, AND NEW YORKERS WITH DISABILITIES, PAID MORE THAN ONE THIRD OF THEIR INCOME TOWARD RENT DESPITE THE FACT THAT THE INCOMES FOR STABILIZED TENANTS DECREASED BY ALMOST NINE PERCENT.

TEN YEARS AGO, WE WOULD NEVER HAVE BELIEVED THAT TENANTS IN BROOKLYN WOULD BE PAYING \$2000 OR MORE TO RENT A ONE-BEDROOM APARTMENT. BUT TODAY, LANDLORDS HAVE FOUND THEIR WAY TO WHAT I CALL "THE PROMISED LAND" — WHEN VACANCY ALLOWANCES AND RENTAL GUIDELINES INCREASES, PLUS RENOVATIONS OF BATHROOMS AND KITCHENS — EVEN DOING SOMETHING AS COSMETIC AS INSTALLING RECESSED LIGHTING IN LIVING ROOMS! — WILL BRING THEM TO THE \$2000 LEVEL FOR DECONTROL. AND LET'S FACE IT, IN 2006, THE PEOPLE PAYING \$2,000 RENT ARE NOT THE RICH. THIS IS THE MIDDLE CLASS — PAYING MORE OF THEIR INCOME TOWARD HOUSING.

THE CITY'S AFFORDABLE HOUSING CRISIS ALSO INCLUDES DEPLORABLE CONDITIONS FOR THOUSANDS OF RESIDENTS. WHILE I COMMEND LANDLORDS WHO PROVIDE SAFE, AFFORDABLE AND DECENT HOUSING, AND URGE THE CITY TO PROVIDE BETTER LANDLORD ASSISTANCE THROUGH NEW PROGRAMS, INCENTIVES AND TRAININGS, WE MUST LET THOSE UNSCRUPULOUS LANDLORDS AND MANAGEMENT COMPANIES KNOW THAT ILLEGAL HARASSMENT OF TENANTS AND VIOLATIONS OF THE HOUSING MAINTENANCE CODE WILL NOT BE TOLERATED. I SUPPORT LEGISLATIVE EFFORTS THAT PENALIZE LANDLORDS WHO HARASS TENANTS AND BRING NON-MERITORIOUS HOUSING COURT

CASES AGAINST THEM. I ALSO SUPPORT DEVOTING MORE RESOURCES TO LEGAL AID SERVICES AND HOUSING COURT.

IN ADDITION TO THE VAST NUMBER OF UNCORRECTED HOUSING MAINTENANCE CODE VIOLATIONS IN THE CITY, WE ARE FACING A SHORTAGE OF FUNDING FOR DEVELOPING AND PRESERVING SAFE, AFFORDABLE AND DECENT HOUSING. DESPITE THE CITY'S RECENT ANNOUNCEMENT OF ONE HUNDRED AND SEVENTY-NINE MILLION DOLLARS TO BE ALLOCATED TOWARD RENOVATIONS, REHABILITATION, MORTGAGE REFINANCING AND DEVELOPMENT, AVAILABLE AND PROJECTED RESOURCES CONTINUE TO BE INSUFFICIENT RELATIVE TO THE CURRENT AND ANTICIPATED NEED.

DUE TO REDUCTIONS IN STATE AND FEDERAL HOUSING SUBSIDIES FOR RESIDENTS, THE NEW YORK CITY HOUSING AUTHORITY HAS BEEN FORCED TO IMPLEMENT DRASTIC CUTS IN SERVICES AND PROPOSE DRACONIAN INCREASES IN RENTS AND FEES, WHICH I FIND UNJUST AND IMMORAL. MEANWHILE, THE CITY IS ALSO IN THE MIDST OF A MITCHELL-LAMA HOUSING CRISIS, WITH LANDLORDS OF NEARLY 25,000 MITCHELL-LAMA UNITS HAVING EITHER LEFT THE PROGRAM OR FILED NOTICE TO WITHDRAW.

I FIRMLY BELIEVE THAT GOVERNMENT HAS THE RESPONSIBILITY TO MONITOR VITAL PUBLIC WELFARE ISSUES LIKE AFFORDABLE HOUSING. WE MUST SEND A STRONG MESSAGE TO THE CITY, STATE, AND FEDERAL GOVERNMENT THAT THE LOSS AND DETERIORATION OF ANY OF THE CITY'S AFFORDABLE HOUSING STOCK, INCLUDING MITCHELL-LAMA RENTALS AND SECTION 8 HOUSING, IS NOT ACCEPTABLE.

TOGETHER, WE MUST REFORM THE RENT GUIDELINES BOARD PROCESS. THE CITY AND STATE MUST ADJUST THE USE OF RENT-REGULATION TO THE LEVEL OF NEED, AND ENACT STRONGER LEGISLATION THAT PROTECTS ALL RENT-REGULATED TENANTS' RIGHTS. AND OF COURSE, I CONTINUE TO URGE THE STATE LEGISLATURE TO RESTORE "HOME RULE" TO THE CITY.

AS FAR AS "HOME RULE" IS CONCERNED, THE URSTADT LAW MUST BE REPEALED. AS A BASELINE, I BELIEVE OUR RENT LAWS SHOULD BE MADE PERMANENT, WITHOUT SUNSET. INSTEAD OF FIGHTING TO RENEW THESE LAWS EVERY THREE YEARS, WE SHOULD CONSIDER THEM THE STARTING LINE—NOT THE FINISH LINE. DECISIONS ABOUT NEW YORK CITY RENT REGULATION SHOULD NOT BE MADE IN ALBANY. REAL ESTATE INTERESTS TRUST THAT THEIR AGENDA WILL BE PROTECTED BETTER IN ALBANY THAN IN NEW YORK CITY— AND THEY'RE RIGHT. BECAUSE OUR STATE DOES NOT HAVE PUBLIC FINANCING FOR STATE POLITICAL CAMPAIGNS, UPSTATE AND SUBURBAN LEGISLATORS RECEIVE SUBSTANTIAL REAL ESTATE MONEY FOR THEIR ELECTIONS. AND FURTHERMORE, THE UPSTATE CONTINGENT IN THE REPUBLICAN PARTY HAS NO CLUE HOW WE LIVE DOWN HERE—BECAUSE UPSTATE, EVEN FAMILIES WITH MODEST INCOMES CAN AFFORD TO BUY HOMES. THE ECONOMICS OF NEW YORK CITY HOUSING SHOULD BE HANDLED BY THOSE WHO UNDERSTAND ITS HISTORY AND HAVE A STAKE IN ITS FUTURE.

RENT-REGULATED APARTMENTS ARE THE MOST IMPORTANT SOURCE OF AFFORDABLE HOUSING FOR LOW AND MODERATE-INCOME TENANTS IN NEW YORK CITY AND MUST BE PRESERVED IN ORDER TO MAINTAIN THE ETHNIC AND INCOME DIVERSITY THAT DEFINE LIFE IN OUR CITY. IN SETTING INCREASES, THE RENT GUIDELINES BOARD MUST BE FAIR AND ACCOUNTABLE TO THE PUBLIC. IT MUST MAKE THE QUESTION OF AFFORDABILITY TO TENANTS ITS FOREMOST CONSIDERATION.

THEREFORE, I STRONGLY URGE THE RENT GUIDELINES BOARD TO RECONSIDER ITS PROPOSED ANNUAL INCREASES OF 3 TO 6.5 PERCENT FOR ONE YEAR, AND 5 TO 8.5 PERCENT FOR TWO YEAR LEASES. THESE EXCESSIVE AND UNJUSTIFIED INCREASES THREATEN THE VERY IDENTITY OF BROOKLYN AND NEW YORK CITY, AND THEY IMPACT EVERY SINGLE RENT-REGULATED TENANT. BY DOING THE RIGHT THING AND DENYING THESE PROPOSED INCREASES, THE RENT GUIDELINES BOARD WILL HELP TO PRESERVE AFFORDABLE HOUSING, MAINTAIN STABILITY WITHIN OUR COMMUNITIES AND CREATE A MORE FAIR AND REASONABLE RESOLUTION TO AN UNFAIR SITUATION FOR THOUSANDS OF TENANTS THROUGHOUT THE CITY.

THANK YOU