

**BROOKLYN BOROUGH PRESIDENT MARTY MARKOWITZ
TESTIMONY TO THE NYC RENT GUIDELINES BOARD
CONCERNING PROPOSED RENT INCREASES
FOR RENT STABILIZED AND RENT CONTROLLED TENANTS**

TUESDAY, JUNE 15, 2004

Good day Chairman Markus, members of the Rent Guidelines Board, and tenants of New York City. For almost all of my adult life, I have fought for affordable, safe and decent housing, which is an issue that affects everyone here today.

New York City and especially Brooklyn continue to experience a severe housing crisis that includes conditions that are deplorable and unsustainable for so many of our residents. Available resources for developing and preserving affordable housing are insufficient. Therefore, it remains essential for us to develop more housing opportunities and find better and more creative ways to maintain and improve what we already have.

You know that more than fifty percent of New York City renters are paying more than thirty percent of their annual income on rent. That is simply too much money being spent on housing. We need to lower rents, not raise them. Having one third of New York City's families living below the federal poverty level is just not acceptable in the richest city in the world. Yet we do not adequately provide resources to address this crisis. Thousands of Brooklyn residents continue to be evicted each year. It is irresponsible of government to allow the city's supply of housing to deteriorate and decrease when the need for affordable, safe and decent housing is so great.

Today, we are concerned with the proposed rent increases for rent stabilized and rent controlled tenants residing in apartments and lofts. The New York City Rent Guidelines Board is proposing annual increases of up to 5.5 percent and 7.5 percent for one-year and two-year leases. These excessive and unwarranted increases threaten affordability, and they affect every rent stabilized and rent controlled tenant in the city, including almost 285,000 Brooklyn residents. These proposed increases must be denied.

Thousands of tenants continue to be forced out of homes that they have lived in for generation after generation. Landlords are benefiting from weakened rent laws, which threaten to end protection for all tenants. As more and more rents are raised to \$2,000 per month, once-regulated apartments are becoming entirely unregulated. Since 1994, more than 100,000 apartments in New York City have been deregulated due to high-rent and high-income vacancy decontrol. Tenants that cannot afford these increases are being forced out of apartments that have long been regulated. Within ten years, you will not exist as a Board because there will no longer be regulated apartments in New York City. Excessive increases combined with high-rent and high-income vacancy decontrol will result in the loss of all rent stabilized and rent controlled units. Rights of tenants in rent stabilized units, in rent controlled units, in lofts, in Mitchell-Lama rentals, in Section 8 housing are slowly but surely being

eliminated. Landlords are allowed to charge whatever they want — causing middle-class families, seniors, and disabled tenants to be at great risk of losing their apartments. Tenants continue to be harassed and are being thrown out onto the streets with no protection and no recourse whatsoever.

Tenants who are hard-working, tax-paying middle-class New Yorkers will be hurt the most unless the proposed increases are revoked. They will be forced to spend more money on rent and have less money to spend on food, clothing and other essential household goods. This results in the city and state losing desperately needed money from sales taxes, leading to business closings and job losses. And with this losses, you can expect a corresponding dramatic increase in homelessness in the city, which is already at record levels. Since Brooklyn has the highest number of renters in the city and 145,000 renter households spend at least half of their income on housing, Brooklyn has more at risk on this issue than any other borough in New York City.

Therefore, I continue to believe that government has the responsibility to monitor fair market conditions on vital and important public welfare issues such as affordable housing. Government has the right to determine the fair market values for rent guidelines and protections. Government has the obligation to be more fiscally responsible by preserving and retaining affordable housing units rather than building new ones.

Undoubtedly, huge rent increases due to weakened rent regulations will continue to subject thousands of New Yorkers to illegal evictions and displacement from the communities which they helped to build. I continue to support legislative efforts to ensure that major capital improvement (MCI) rent increases are only temporary, so that they end when landlords collect the full amount of the MCI. I remain in support of legislation which would provide better protection for rent controlled tenants, limit landlords' use of evictions and lawsuits, and most importantly reform the New York City Rent Guidelines Board process.

Ultimately, we must work together to keep apartments in New York City affordable for those who live here and for those who wish to live here. The Rent Guidelines Board can play a role by ensuring that it is accountable to the public as demonstrated through changes that are fair and reasonable. Therefore, I join with New York City's rent regulated tenants and urge the Rent Guidelines Board to immediately revoke its excessive and unjustified proposed annual increases. By doing so, the Board will help to preserve much of our affordable housing, maintain stability within our communities, and create a more fair and reasonable resolution to an unfair situation for thousands of tenants.

This must be done and it must be done now!

Thank you.