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Testimony for the Rent Guidelines Board
April 25, 2017

My name is Rosie Mendez and I am pleased to serve as the New York City Councilwoman for the 2nd District which includes parts of the Lower East Side, East Village, Gramercy Park, Kips Bay, and parts of Murray Hill in Manhattan. Within the communities of my district, there are tens of thousands of rent stabilized housing units that on a daily basis are at risk of being lost. At this critical time, it is important that the Board take steps to ensure that these units are preserved for New York's low and middle income communities. I strongly urge the Rent Guidelines Board (RGB) to maintain a rent freeze in order to preserve these precious units of affordable housing.

As I have stated in the past, I believe that the RGB has a responsibility to protect all New Yorkers, and I applaud New York State Supreme Court Justice Debra James's recent ruling that the RGB was not wrong in considering tenant affordability when it approved the freeze in June 2016. Any rent increase will negatively affect New York City's most vulnerable communities. The RGB's zero percent guidelines in 2015 and 2016 have assisted tenants who had no relief during the 2007 financial crisis and subsequent Great Recession, and were faced with soaring rent costs and during hard financial times.

Many have testified before you arguing that the rent freeze has put pressure on landlords depriving them of revenue that need to pay property taxes and burdening them with maintenance and operating costs. However, during the past two years, the revenue generated by a rent stabilized building was far greater than the cost to operate it. Specifically, rent stabilized buildings net operating income increased 10.8 percent while expenditures were only 6.2 percent.

Rents now generally exceed \$2,500 for a one bedroom and continue to be out of reach for the average New York renter who is struggling to survive in a city that is becoming increasingly expensive. According to the 2014 New York City Housing and Vacancy Survey, the median gross rent-to-income ratio for all renters was 33.6%, and the 2015 *American Community Survey* reported 22.8- 36% of New York City households paying more than 50% of their household income in gross rent.

In my district office, it is nearly impossible to go even a day without a call from a rent stabilized or controlled tenant facing harassment and fearing eviction. We continually hear about devious methods some landlords have employed to skirt the rent laws and to unlawfully evict rent stabilized residents.

Many of my constituents contact my office looking for legal representation and/or help in securing an inspection in their buildings. High rents coupled with major capital improvements (MCI) increases have been a key factor in the displacement of lower income tenants. I urge the Board to strengthen rent regulations, not destroy them by instituting another rent freeze.

Sincerely,

A handwritten signature in black ink that reads "Rosie Mendez". The signature is written in a cursive, flowing style with a prominent loop at the end of the last name.

Rosie Mendez
Councilwoman, District 2