De Blasio Pushes For New Rent Stabilization Protections

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MAY 5, 2015 2:14 P.M. • 318 COMMENTS

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With New York City's rent stabilization laws set to expire in just over a month (http://gothamist.com/2015/03/18/how_can_we_stop_luxury_developers_f.php), Mayor de Blasio has proposed three reforms that he hopes will both stop the city's pool of one-million rent stabilized apartments from shrinking, and slow rent increases in stabilized apartments.

According to official city documents, 35,000 apartments have lost their stabilization status since 2011, and have been converted to market-rate units.

De Blasio's announcement comes in the wake of some tempered news from the city's Rent Guidelines Board (RGB). Every June, the RGB sets a legal cap on how much rent is allowed to increase in stabilized apartments. And while a report issued last month (http://gothamist.com/2015/04/17/rent_freeze_likely.php) foreshadowed the first rent freeze in the RGB's 46-year history, and possibly even a rent rollback of up to 4%, last week the board voted to recommend (http://gothamist.com/2015/04/30/rent_board_nyc.php) 0.5-3.5% increases over the next two years, and 0-2% increases over the next year.

The first of de Blasio's three major proposals is the elimination of vacancy decontrol (http://gothamist.com/2015/03/18/how_can_we_stop_luxury_developers_f.php). Under current law, a rent stabilized apartment is no longer protected once the rent reaches $2,500. The mayor wants to make sure that more expensive rent stabilized apartments will still be subject to the RGB's tiny-percentage rent increases.

The second is a reform to Individual Apartment Improvement (IAI) and Major Capital Improvement (MCI) rent increases. As of right now, landlords have the right to permanently increase the rent when individual apartments, or entire apartment buildings, undergo renovations. According to a press release issued this morning by the Mayor's office, de Blasio would spread out renovation-related rent increases over a set period of time, leaving the long-term rent unchanged:

Costs from increased services or improvements to individual apartments would be spread over 10 years, while building-wide or system improvements could be spread over 7 years. Long-term rent would be unaffected, and would reset after the fixed period.

Lastly, de Blasio proposed an elimination of vacancy allowance. Landlords are currently allowed to increase the rent in rent-controlled apartments by a whopping 20% between tenants. This law, in particular, has encouraged landlords to "nudge" tenants to vacate by implementing decidedly evil (http://gothamist.com/2015/04/30/tenants_at_43_essex_street_file_law.php) measures (http://gothamist.com/2015/04/17/brooklyn_slumlords_arrest.php#photo-1).

"Our working families and our neighborhoods are depending on stronger rent laws," de Blasio said in a statement issued this morning. "This has to be a city for everyone. It cannot just be a city of luxury apartments out of everyday New Yorkers' reach."
It remains to be seen whether de Blasio's lofty new goals will stand a chance this June in Albany. The Rent Stabilization Organization (RSA), which represents the rights of landlords in New York City, is well-versed in fighting pro-tenant legislation. (Remember last year's Rent Freeze Hurts Everyone campaign?) RSA spokesman Frank Ricci told the News today, "The current rent regulations have worked well in terms of injecting needed capital for landlords to improve buildings."

But Harvey Epstein of the Urban Justice Center, who also represents tenants as a member of the RGB board, told us this morning, "I think these reforms are totally plausible. The proposal the mayor's making is to protect the affordable housing we have, and I think that's right on point." He added, "The tensions in Albany are already there. These are issues that tenant advocates have been pushing for for months and months and months."

There is also the fate of 421-a to contend with. 421-a, which goes up for renewal next month, is a 70s-era tax abatement program that encourages housing construction, by offering developers temporary freezes on their real estate taxes if they make 20% of their units available to people who make the city's median income of about $50,000 a year.

Tenant advocacy groups are fiercely opposed to 421-a's renewal, arguing that it encourages gentrification and doesn't hold landlords accountable for nearly enough affordable new units. However, de Blasio feels some pressure to appease developers and landlords—he'll have a hard time building his proposed 80,000 affordable units without them.

Regardless of whether or not de Blasio's proposals take effect, some tenant advocacy groups are at least heartened by the gesture. Kerri White, the organizing and policy director for the Urban Homesteading Assistance Board told us this morning that even though the rent laws still have many loopholes that need to be addressed, "We are grateful that for the first time ever we have the Mayor of New York City standing with us." She added, "The strides the Mayor is calling for are just the first step in the change we need."