

Rent-Regulated Housing Threatened by Vacancy Decontrol

Rent-regulated housing is the single most important component of New York City's housing stock for low-wage residents. More than a million low-income people in households with incomes below \$36,620 for a family of three live in rent-regulated housing. In total, almost 230,000 Black households in the city are rent-regulated.

Rent regulation was conceived as a program to prevent the excessive rents that can result from the city's chronic housing shortage rather than as a low-income housing program. In practice, however, it reaches a population whose incomes suggest a greater need for protection than the city as a whole. Rent-regulated housing allows working class families to live in the city. Without this type of housing, many New Yorkers would be forced to leave because of excessive housing costs.

New research from the Community Service Society (CSS) reveals that a controversial provision allowing the deregulation of rent-regulated apartments is having a strong detrimental effect on low-income tenants and neighborhoods.

A Vital Protection

Tenants who live in rent-regulated housing tend to have lower incomes, are more likely to be people of color, and are more likely to be immigrants than other New Yorkers. Rent regulation is a vital protection, especially for these households.

Under rent regulation, landlords cannot terminate a tenancy without good cause, even at the end of a lease. They also cannot use rent increases to effectively terminate a tenant. This gives tenants greater security in their homes. In rent-regulated housing, tenants in buildings with poor conditions or inadequate maintenance have greater freedom to seek repairs or improved service without fear of retaliation.

Neighborhoods Impacted

A provision in the housing laws, known as vacancy decontrol, allows for the deregulation of apartments when their legal rents reach \$2,000 a month during a vacancy. Because other provisions allow for large increases during a vacancy, any vacant apartment can be deregulated in this way. At the time that the provision was passed, its proponents argued that it would only affect high-rent areas of Manhattan below Harlem. But the CSS study shows that vacancy decontrol is also affecting other neighborhoods, especially Upper Manhattan where many Black households are concentrated.

Our report, "Destabilized Rents: The Impact of Vacancy Decontrol on Low-Income Communities," should put to rest once and for all the notion that vacancy decontrol doesn't matter for low-income neighborhoods in Harlem and Washington Heights, or in boroughs other than Manhattan. In fact, it suggests that vacancy decontrol is part of the reason why so many low-wage working households, especially people of color, are being pushed out of their neighborhoods all across the city.

Working with recently released data from the U.S. Census Bureau's New York City Housing and Vacancy Survey (HVS), CSS calculated that fewer and fewer households are able to find and move into rent-regulated apartments. In **Upper Manhattan**, the likelihood that families moving in the years just prior to the 2008 HVS would find a place in one of the original rent-regulated apartments was 14 percent lower than it was for families

moving just prior to the 2002 survey. In the inner-ring neighborhoods of **Northwest Queens, North Brooklyn, and Brownstone Brooklyn**, families' chances of finding a place in one of the original regulated apartments fell by six percent over the same time.

This effect is partially balanced by the creation of new regulated apartments by subsidy and tax-exemption programs. But the new rent-regulated apartments do not truly replace the lost regulated ones, both because there are fewer of them and because their rents are typically much higher than the older apartments.

Rapid Rent Increases

These changes are contributing to a rapid rise in rents across the city. Rents for recent movers rose by 51 percent over a six-year period in Upper Manhattan and by 39 percent in inner Queens and Brooklyn, compared to only 29 percent for Manhattan below Harlem.

City residents are facing increasing hardships as the economy worsens. Affordable housing is disappearing at an alarming rate. Our representatives ought to be revising the housing laws – either by repealing vacancy decontrol or by reducing allowable increases on regulated apartments that become vacant. The Assembly has already passed Bill 2005 which repeals decontrol and Bill 5316 which reduces allowable increases in regulated apartments. Companion bills are pending in the State Senate – Bill 2237-A on repeal and Bill 5296 on reducing rent increases.

In addition to changing the law on vacancy decontrol, the legislature should provide a tax rebate for the state's renters just as both the state and New York City do for homeowners. The rebate is partial relief from increases in property taxes. But while property tax increases are all too often passed on by landlords to renters in the form of rent increases, renters get no relief in the form of a rebate.

The CSS report, "Destabilized Rents: The Impact of Vacancy Decontrol on Low-Income Communities," can be accessed online at <http://www.cssny.org/research/housing>.

Join the discussion on how we can improve the lives of low-wage workers by making your voice heard on our Turnstile blog at <http://turnstile.cssny.org/turnstile/>.

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David R. Jones is president and CEO of the Community Service Society (CSS), the leading voice on behalf of low-income New Yorkers for over 160 years. The views expressed in this column are solely those of the writer. The Urban Agenda is available on CSS's website: www.cssny.org.

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