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Testimony for the Rent Guidelines Board Public Hearing
June 17, 2009

My name is Rosie Mendez and I am pleased to serve as the New York City Council Woman for the Second District which includes parts of the Lower East Side, the East Village, Gramercy Park, Kips Bay, and Murray Hill in Manhattan. Thank you for the opportunity to testify at this very important hearing. Within these communities, there are thousands of rent stabilized housing units which are constantly 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 implement a rent freeze in order to preserve these precious units of affordable housing.

Since the recession hit home in New York, market rents have fallen by an average of 20%. Across the city, rents are dropping at drastic rates and landlords are making deals with market rate tenants to ensure that their buildings remain occupied. Operating costs are also down. On the contrary, the RGB has proposed a rent increase for rent stabilized tenants of 2-4.5% on one year leases and 4-7.5% on two year leases. Last year, the board approved its most drastic set of rent increases since 1989 -- 4.5% for one year leases, and 8.5% for two year. Furthermore, in April, the RGB released a report stating that operating costs for rent-stabilized buildings increased only 4% from April 2008-2009 and at the same time, found that the increase was offset by decreases in fuel oil and insurance costs. There is no time like today to freeze rents. Landlords will still be able to make a profit, while ensuring rent relief for families that need it.

If we don't freeze rents, these increases will surely affect New York City's most vulnerable communities, even more so at a time with rising unemployment, falling household incomes and a growing number of tenants in housing court facing eviction for nonpayment of rent. In my district office, it is nearly impossible to go even a day without a call from a rent stabilized or controlled tenant living in fear, facing eviction. New tactics like phony demolitions, owner occupancy of entire buildings, and fake hotels are being more and more common methods owners are employing to skirt the rent laws and frequently evict rent stabilized residents. Many of my constituents contact my office for legal advice or representation and help in securing housing and building inspections. It is clear, that even in a recession, residents live in fear of harassment and sometimes experience it head-on as landlords try to make the most of their assets by pushing out the heart of what makes New York City home: its tenants.

It is public knowledge that the people at the bottom of the city's economy will no doubt be hit the hardest as the recession takes its toll. I call on the Board to implement a rent freeze NOW in order to

provide rent relief for thousands of families across New York City. Furthermore, I urge the Board strengthen rent regulations not destroy them. Please help save affordable housing in New York City.