

**COMMUNITY SERVICE SOCIETY
MEMORANDUM IN SUPPORT
of the bill REPEALING VACANCY DECONTROL**

February 2, 2009

Calendar No. 30

The Community Service Society of New York strongly supports the following bill on the Assembly calendar:

A2005 Rosenthal, Silver, Brennan, Lopez V, et al.

Rent-regulated housing is the single most important component the housing stock serving low-income workers and their communities in New York City and the suburban counties of Nassau, Westchester and Rockland. Well over a million low-income people (those with incomes below twice the poverty line) live in rent-regulated housing – far more than live in public and subsidized housing combined.

This bill remove the most important cause of the loss of this dwindling affordable rental resource. A2005 repeals vacancy decontrol as it applies to New York City and the surrounding counties, for both rent-controlled and rent-stabilized apartments. Repealing vacancy decontrol is imperative, or the entire system of rent and eviction protections will be lost .

Rent regulation is an absolutely vital protection for low-income tenants, who cannot afford the going rate for a vacant apartment in any neighborhood of the city. A family of three with an income at twice the poverty rate earns \$35,200 a year, and can therefore afford a rent of \$880 a month, using the generally recognized affordability standard of 30 percent of income. The region's chronic housing shortage ensures that virtually no apartments suitable for a family of three can be found on the market at that rent. Rent regulation is the sole protection for the homes of over a million people who, without rent regulation, would have nowhere to go.

Rent regulation has never been more vital than it is today. CSS research has shown that from 1996 to 2005, the incomes of poor households (those below the poverty line), incomes went up significantly, but rents went up even faster, so that residual income (that is, income minus rent) was essentially flat, going from inflation-adjusted \$390 to \$399 in nine years. All of the benefits of poor people's rising incomes in that period went to landlords, and none went to the poor people themselves. For near-poor households, incomes rose more slowly, with the result that their residual incomes, after rent, actually slid backward. For the city's million or so near-poor tenants, the economic good times weren't so good. Their standard of living declined. Now that we are entering a recession, these households will be strapped as never before.

These unaffordable rent burdens affected both regulated and unregulated tenants. But rent regulation did moderate the effects of the housing shortage. In 2005, 75 percent of poor tenants in unregulated apartments paid more than half of their incomes in rent, compared to 64 percent in rent-regulated apartments. For near-poor tenants, the numbers were 38 percent and 34 percent.

The weakening of the rent laws over the past 15 years, and especially vacancy decontrol, is one major reason for the region's extreme unaffordable rent burdens. In addition, vacancy decontrol provides an incentive for harassment and has contributed to financially irresponsible speculation in rent-stabilized and Mitchell-Lama buildings, which has left many properties in serious distress.

The purpose of rent regulation is to protect tenants from the harmful effects of the region's housing shortage – not only by protecting tenants in place, also by preserving a supply of affordable rental housing. Vacancy decontrol undermines this second essential aspect of rent regulation.

The Community Service Society of New York strongly supports A2005.

Federal Poverty Level in 2008 for a family of three = \$17,600

Community Service Society defines the 'near poor' as being between 100 and 200 percent of the federal poverty level.