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Rent Guidelines Board Approves Rent Hikes for First Time Since '14

By Jarrett Murphy  | June 27, 2017



RGB

The Rent Guidelines Board hears testimony at its public session in Brooklyn last week.

On Tuesday night the city's Rent Guidelines Board voted to approve a 1.25 percent increase on one-year leases

(http://www.nycrgb.org/html/guidelines/2017_guideline_proposals/2017proposedrule7.html)

and 2 percent increases for two-year leases in the city's rent-stabilized apartments.

The board, which is controlled by the mayor, has over the past two years (<http://www.nycrgb.org/downloads/guidelines/aptorders2017.pdf>) permitted no increase on one-year leases. In 2014, de Blasio's first year, it okayed a then record-low 1 percent hike.

Landlords say the rent freeze has forced them to absorb rising costs and harmed their ability to keep housing maintained. But advocates for tenants note that for many years under Mayor Bloomberg, legal rents were adjusted upward even when costs remained flat and tenants' incomes deteriorated. Bloomberg's RGB raised rents even in the depths of the 2007-08 recession.

"Tonight's Rent Guidelines Board vote is a very, very small step in the right direction to freeing property-owners from the burdensome costs incurred from the last two years of rent-freezes, but it is not enough to reverse the damage," said Matt Engel, president of Community Housing Improvement Program, a landlord group. "With municipal taxes as the largest percentage of a building's operating costs, I hope the City will address the need to lower long term property tax rates and assessments levied on multi-family building owners in order to preserve the long term stability of the housing market."

Some tenant advocates suggested the result was a partial victory.

“Tenants needed a reduction in rent to make housing more affordable,” said Harvey Epstein, director of the Community Development Project at the Urban Justice Center and a Rent Guidelines Board member. “While the votes weren’t there to support a rollback, tenants — through their testimony and protests — did succeed in keeping the increase to a minimum.”

But others were less sanguine.

“It is unfortunate that Mayor de Blasio was afraid of the optics of a third year of a partial rent freeze, when everyone in and around city government knows that nothing short of a serious rent rollback would correct for the gigantic, unjustified rent increases the Bloomberg board adopted during the recent recession. The least that tenants deserved this year was another zero for one-year lease renewals,” said Met Council Executive Director Ava Farkas.

City Hall spokeswoman Melissa Grace told City Limits in a statement: “We will never go back to the days when the landlord lobby got big rent hikes regardless of what the data said. Taken together, the past four years have seen the lowest guidelines in history – including the first two freezes ever – and a historic court ruling affirming the importance of tenant affordability in this equation. We will continue to fight to keep this city affordable, and build on an important platform that helps to protect New York families, including funding free universal legal services for all low-income tenants facing harassment or eviction and advancing the most new and preserved affordable housing in a generation.”

Seven proposals were before the board this year. They ranged from a 4 percent decrease on one-year leases

(http://www.nycrgb.org/html/guidelines/2017_guideline_proposals/2017proposedrule4.html) to a 4 percent increase

(http://www.nycrgb.org/html/guidelines/2017_guideline_proposals/2017proposedrule2.html) . Other proposals (proposing for one-year leases increases of 1 percent/a>, (http://www.nycrgb.org/html/guidelines/2017_guideline_proposals/2017proposedrule6.html) 1.5 percent,

(http://www.nycrgb.org/html/guidelines/2017_guideline_proposals/2017proposedrule1.html) or 2 percent

(http://www.nycrgb.org/html/guidelines/2017_guideline_proposals/2017proposedrule3.html) , with another proposing no hike at all

(http://www.nycrgb.org/html/guidelines/2017_guideline_proposals/2017proposedrule5.html)) were also on the table.