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Testimony of Council Member Dan Garodnick
Before the Rent Guidelines Board
June 17, 2009

Thank you, Chairman Markus and members of the Rent Guidelines Board (RGB) for the opportunity to testify today. My name is Dan Garodnick, and I represent the Fourth District in the New York City Council – which starts at Stuyvesant Town and goes up to 97th Street.

I represent a considerable number of rent-stabilized tenants, all of whom are looking to this Board for courageous and principled action today. Tenants, who already pay a high proportion of their income in rent, face a rising cost of living and the increased potential of losing their jobs in this tough economic climate. They need immediate relief.

New York City currently has an 8% unemployment rate, up from 5.5% last year. While families attempt to make ends meet with their existing income, the cost of typical household goods and services increased by 3.9% in 2008 – nearly 50% over the 2007 average. This, of course, excludes changes that will also impact the pocketbooks of New Yorkers, including raising the price of a single subway ride to \$2.50 and the sales tax by .5%.

Those who still have their jobs pay an exorbitant percentage of their income on rent. Half of all households pay more than 31.5% of their income in rent and nearly one in every three pay more than 50% of their household income in rent.

In contrast, compared to last year, landlord costs are not going up as fast. Landlords experienced a 7.8% increase in operating costs in 2008, but this year, those costs went up only 4%, the smallest increase in six years. Last year, the Board hit tenants with the highest percent increase in 20 years at 4.5% for one-year leases and 8.5% for two-year leases and imposed an even higher increase on tenants who have lived in their apartment for six years or more. This year, if the Board is to increase rents at all, it should be looking to impose the smallest increases in the last six years or longer.

This Board now recommends increases of 2 to 4.5% for one-year leases and 4 to 7.5% for two-year leases. It has also been proposed, in the same form as last year, to give owners the option to charge tenants either the approved increase or a \$20 to \$45 monthly

increase for one-year leases or a \$40 to \$75 monthly increase for two-year leases. This supplemental increase affects only tenants who have lived in their apartment for six years or more and results in a higher percentage increase for those tenants whose rents are under \$1,000 a month. This unfairly targets our neighbors who are most vulnerable, essentially instituting a tax on our seniors and other residents who have lived in their apartments for long periods of time.

While market rate rents are freezing or going down throughout New York, the rates instituted by this Board for rent regulated apartments should mirror that trend. I ask that you consider these concerns, the current economic climate and the rising cost of food, transportation, and other costs to tenants, when deciding this year's rate.