



OFFICE OF THE PRESIDENT
BOROUGH OF MANHATTAN
THE CITY OF NEW YORK

1 Centre Street, 19th floor, New York, NY 10007
(212) 669-8300 p (212) 669-4306 f
163 West 125th Street, 5th floor, New York, NY 10027
(212) 531-1609 p (212) 531-4615 f
www.manhattanbp.nyc.gov

Gale A. Brewer, Borough President

**Testimony of Gale A. Brewer, Manhattan Borough President
Before the New York State Division of Housing & Community Renewal
Re Adjustment to Maximum Base Rents of NYC Rent Controlled Apartments
December 17, 2015**

My name is Gale A. Brewer and I am the Manhattan Borough President. Thank you for the opportunity to provide my thoughts on the issue of Maximum Base Rent (“MBR”) levels for Rent Controlled apartments in New York City.

To the larger community, including in the press and popular culture, the term “rent controlled apartment” describes a highly coveted unit, with a shockingly low rent which never seems to increase, easily passed on through generations without much trouble. Those of us who actually are familiar with New York City regulated housing, including elected officials and agencies offering assistance to tenants, know that this is really a complete myth. The stories, so favored by the press and opponents of regulation of wealthy heiresses and movie stars paying \$200 a month for huge apartments in desirable neighborhoods are by and large apocryphal. Because, as this body is well aware, over the years, while increases for rent stabilized tenants have fluctuated between zero and seven per cent a year, tenants in rent controlled apartments have seen their rents increase by seven and a half percent each and every year. The only limitation on these relentless increases has been the ceiling of the MBR. This body must decide whether to raise that ceiling to continue those tremendous rent increases, or allow the MBR to provide a check on such increases. I strongly urge you to do the latter and raise the MBR by as small a percentage as possible, or not at all.

As this body well knows, the number of units subject to rent control has dwindled significantly. I understand that at this point, there are less than 30,000 units left in the City. Not only are their numbers small and therefore less powerful than other regulated tenancies, the tenants as a group are among the oldest and poorest of New Yorkers, with an average age of 72 and an average household income of \$28,000. In addition to the steepness of the yearly increases that this group of tenants has received, these tenants have to navigate a daunting, often confusing array of forms each year. In many cases, even an experienced advocate can have a hard time

determining the true legal rent in a rent controlled unit. This can stand in the way of applying for SCRIE or other help, and complicate renewals.

One of the only bright points for a rent controlled tenant is that owners may be barred from receiving increases where there are conditions that need repair and/or violations in the apartment or building. In many cases, owners who have neglected their buildings, appear to find it easier to just not file the paperwork for the MBR's and MCR's. But given the very small population of rent controlled units, the vulnerability of the tenant population, and the mandate of your agency, I would urge that, in lieu of increasing the MBR for these apartments, the DHCR increase the inspections of units where MBR increase applications are received. I would also urge that the applications themselves, including the calculation of rent increases, and fuel passalong charges be more carefully scrutinized by your staff.

Thank you.