

BEFORE YOU READ THE BILLS, HERE ARE SOME THINGS FOR YOU TO CONSIDER

The two main goals of the sponsors of the following legislation are to keep rents as low as possible and to make and keep as many apartments under regulation as possible.

Secondary goals are to empower tenants and erode the rights of owners, thereby making owning, operating, and profiting from private rental properties more and more difficult. (A possible goal - and one previously verbalized by certain elected officials and tenant advocate groups - is to have all rental housing in the public sector. The bills are a means to that end.)

You may feel that some of the proposed (and very likely to pass) bills have no impact on you. Perhaps some don't... but others certainly do. Once any of the following bills are passed, it is only a foot in the door to swinging it wide open with the ultimate entrance of legislation which will regulate each and every rental unit (whether it be in a two-family home or in a luxury high-rise).

IF YOU WANT TO DO SOMETHING ABOUT SAVING YOUR PROPERTY FROM EVER- INCREASING GOVERNMENT INTERVENTION (YOU CANNOT RELY ON THE INDUSTRY LEADERS TO PROTECT US ANYMORE - THEY HAVE TRIED VERY HARD BUT HAVE FAILED - IT IS NOW UP TO US) CONTACT US AT www.spony.org

BILLS STILL IN ASSEMBLY COMMITTEE AT 3/5/09
A04526

SPONSORS: FITZPATRICK E. McDONOUGH, WALKER
THIS IS THE ONLY BILL WE CAN SUPPORT

Non-payment of New York City income tax &/or New York State income tax will be a prima facie finding that the regulated apartment is not the tenants primary residence.

Discussion

Many tenants horde regulated apartments - often monthly garage spaces cost more than the rent charged for these apartments - and it is cheaper to keep a low-rent regulated apartment than to rent a hotel room and a garage for occasional trips to the city. This bill makes the owner's attempt to evict such tenants based on non-primary residency much easier.

=====

AO2232

SPONSORS: O'DONNELL, CLARK, KAVANAGH, GOTTFRIED, HOOPER, PHEFFER

You will be forced to obtain a license just to collect your rent, make repairs or offer leases to your tenants.

Anyone who collects rents, whether it be a building manager, owner (who may or may not live in the building he/she owns) and regardless of the size of the building (including a 2-6 family properties) must have a license. If you don't have a license, you have no rent.

Complaints made about the competency of the agent (by tenants) may result in loss of license. Fees paid for the license will not be refunded. Fines will be imposed. Tests must be taken to qualify and/or a 20 hour course must be taken.

The bill provides for two types of licenses: Unrestricted license (type A) Manager not allowed to manage more than 300 units (if separate buildings). The manager is not allowed to manage more than 2 buildings (if the buildings have more than 100 units each). All property managed must be within 5 miles of each other.

The bill refers to the manager performing janitorial duties(!?).

discussion

Because the terms of the bill are so restrictive and punitive, and because failure to have the license would result in fines and penalties and the inability of an owner to manage his property, the underlying purpose of this bill serves no public good and the intentions behind the bill are suspect.

The impact of building management is limited to the specific property being managed. However, various legislation that is passed eventually impacts on the lives of each and every resident of New York State.

Since the legislators who conceive and sponsor the bills are frequently ignorant of the impact the bills would have, it is logical to demand that our legislators have training and be licensed. Before running for office or holding office, they should take an impartial test to determine their knowledge of a least the following: economics, urban planning, the structure of our government, the differences between different socio-economic systems, and history. If they fail the test (which should include reading and writing skills), they would be forced to take courses so that they could learn things essential to their jobs.

We would like to see our legislators read the legislation they vote on and pay more attention to the impact of what they do than being re-elected and raising money for their next campaign.

=====

5672

SPONSORS: ROSENTHAL, DINOWITZ, GREENE, ORTIZ
THE FOLLOWING BILLS ARE IN THE SENATE

Allows a tenant to make "needed repairs" and deduct the cost from their rent. Relates to emergency repairs, prior notification must be given to owner, must be HPD violation.
discussion

This bill opens the door to other types of repairs being done by tenants and offsetting rent. It sets a bad policy.

S000166 - remove fuel pass-a-long increases for Rent Controlled tenants
S00467 - authorizes the RGB to issue subpoenas and administer oaths forcing owners to submit requested information to the RGB (hello, welcome to the Eastern Sector)

THE FOLLOWING BILLS PASSED THE ASSEMBLY HOUSING COMMITTEE AND ARE NOW BEFORE THE SENATE HOUSING, CONSTRUCTION AND COMMUNITY DEVELOPMENT COMMITTEE

BILL A.1688 (S/A S749 KRUEGER)

SPONSORS: V. LOPEZ, SILVER, WRIGHT, DINOWITZ, LATIMER, PERRY, KAVANAGH, BOYLAND, KELLNER, LANCMAN, MILLMAN, O'DONNELL, PHEFFER, TUTUS, ORTIZ, SPANO, POWELL

This bill is a direct result of New York City Council petitioning Albany for "home-rule" of rental housing. The Urstadt Law was passed to prevent the city from passing more stringent and harsh regulation than the state. This bills calls for the repeal of the Urstadt Law.

discussion

Because our City Council has historically acted in a biased, prejudicial and aggressive manner towards property owners, in 1971, the State Legislature enacted the Urstadt Law. It prevents New York City from passing laws that are more restrictive, harmful, biased, and restrictive than the laws passed by the state.

Our present City Council is one of the most anti-property owner councils that has ever served. They have repeatedly tried to get the state to repeal the Urstadt law so that they could have "home-rule" which would spell disaster for the privately owned rental housing sector, since our City Council is openly hostile towards us.

=====

A.1685

SPONSORS: V. LOPEZ, GLICK, SILVER, ROSENTHAL, GOTTFRIED, KAVANAGH, O'DONNELL, FARRELL, ORTIZ, POWERLL, WRIGHT

This bill would make it virtually impossible for an owner to reclaim an apartment in his own building for his personal/family use.

Presently, an owner who owns a property in individual name can recover one or more apartments for himself and his family.

An owner would have to show immediate and compelling necessity, could only recover a single apartment for his own use, and any tenant in occupancy for twenty or more years would have a permanent right to the apartment.

discussion

This bill would virtually stop all attempts by an owner to recover an apartment for personal use since (I have seen this in the past when an owner tried to recover a rent-controlled apartment for his own use) it is impossible to convince the deciding entity (ie, a hearing officer) that an immediate and compelling situation exists.

The bill removes an essential right of property owners: that of occupying an apartment of his/her choice in a property he/she owns.

=====

A465

SPONSOR: JEFFRIES

This bill forces owners to continue preferential rents upon lease renewals. An owner may now charge the legal rent upon lease renewal providing he has the proper lease clauses. This bill would force the owner to charge the preferential rent until vacancy, and would prohibit the collection of the legal rent if the vacancy occurred as a breach of the warrant of habitability.

discussion

Legislative change occurred after the court decision known as Missionary Sisters of the Sacred Heart, 283 A.D. 2nd 284 (1st Dept., 2002) in which the Appellate Division, First Department, interpreted DHCR's regulations to allow an owner to charge the legal regulated upon a lease renewal providing the lease had the proper clauses.

Many tenants will suffer because of this bill because owners will, if this bill is passed, be reluctant to offer a new tenant a lower, preferential rent.

=====

A.1686

SPONSORS: V. LOPEZ, GOTTFRIED, ROSENTHAL, KAVANAUGH, WRIGHT, O'DONNELL, ORTIZ, POWELL

This bill reduces the state statutory vacancy allowance. Presently, state law controls the vacancy increase which is 20% for a two-year lease and 20% minus the difference between the one and two year guidelines for a one year lease. Also, if there is more than one vacancy in a given calendar year, an owner can collect more than one vacancy allowance.

This bill decreases the two year vacancy factor to 10% and prohibits collecting more than one vacancy allowance in a single guidelines period.

discussion

The City's Rent Guidelines Board determines the yearly allowable increases for regulated apartments and has historically short-changed owners, both in relation to the guidelines and the vacancy factor they used to promulgate. State law attempted to make up this deficit without impacting on tenants in residence by making the vacancy factor statutory. The reduction from 20% to 10% that this bill calls for is totally inadequate to make up the financial short-fall when an apartment hasn't been vacant for many years.

It is another attempt to reduce our potential income.

=====

A.2005

SPONSORS: ROSENTHAL, SILVER, BRENNAN, V. LOPEZ, LENTOL, WRIGHT, DIAZ, JEFFRIES, BING, LATIMER, CMARA, VROOK-KRASNY, PERALTA, BOYLAND, GREENE, KELLNER, LANCMAN, SCHIMEL, MAISEL, KAVANAGH, GOTTFRIED, DINOWITZ, MILLMAN, MAYERSOHN, PWOERLL, LAVINE, COLTON, NOLAN, O'DONNELL, TITUS, FARRELL, ORTIZ, ESPAILLAT, BENEDETTO, HOOPER, JACOBS, ROBINSON, RIVERAN, ZEBROWSKI

All apartments that were deregulated prior to 1/1/2007 will be regulated again, providing that the rentals were under \$5,000 per month (New York City area only). All apartments deregulated after 1/1/2007 will return to being regulated, regardless of monthly rental.

discussion

Rent reform legislation in 1993 and 1997 established that no public purpose is served by protecting the wealthy through rent regulation. The premise of the legislative findings underpinning rent regulation was the notion that the rent laws were a temporary response to an emergency housing condition and were intended to enable the regulated market to transition to the free market.

The luxury decontrol provision enacted in 1993 and amended in 1997 provided for apartments to leave regulated status and become free-market. In cases where the rent exceeded 2,000 a month, the apartment became free-market upon vacancy. If the tenants earned more than 175,000 and paid more than 2000 month during the term of the residency, the apartment would become free-market upon the filing of the appropriate paperwork by the owner.

Tenant advocates falsely proclaim that regulation serves the poor and middle class. Therefore, why are they so interested in protecting the rich? Clearly, it serves their political purpose to have more

renters in the regulated sector, and therefore, their goal is to have as many regulated apartments as possible. The intentions of this bill are suspect.

A.860

SPONSORS: BING, V. LOPEZ, GLICK, PERALTA, MILLMAN, ROSENTHAL, KAVANAGH, DINOWITZ, O'DONNELL, CONTOAN, MAISEL, WRIGHT, TITUS, ORTIZ, POWELL

This bill doesn't remove luxury decontrol, but increases the threshold for luxury decontrol levels.

The combined earnings of the tenants in the apartment would be increased from \$175,000 to \$240,000 and the rent eligible for de-regulation would be increased from \$2,000 a month to \$2,700 a month.

discussion

There is no sound public policy basis for protecting high-income tenants. At a time when State and City are in fiscal crisis and contemplating increased taxes on upper income residents, they are extending rent protections for this privileged group, and there is no justification for such protection.

Moreover, the 5% "emergency" vacancy rate that the laws are based on is exceeded by this portion of the market, so there is no emergency in this sector.

Rent regulation was never intended to evolve into a permanent economic structure and any economic benefits of regulation should be targeted to low-income New Yorkers, not high-income New Yorkers.

=====
A.1928 SPONSORS: O'DONNELL, V. LOPEZ, SILVER, TITUS, GLICK, ORTIZ, GOTTFRIED, KAVANAGH, ROSENTHAL, FARRELL, PERRY, PHEFFER, SPANO, POWELL

This bill makes MCI increases a temporary surcharge. Presently, building wide improvements relating to replacing burners, boilers, plumbing, windows, roofs, intercoms, electric service, pointing etc. are considered major capital improvements and all or a portion of the cost is passed along to tenants as a permanent rent increase.

Previously, the cost was allowed to be recouped within a 5 year period, but the law was amended to make the cost recovery within 7 years (thereby reducing the monthly increase). Furthermore, the cost of the improvement couldn't exceed 6% of the rent.

This law would make the MCI rent increase a separate surcharge separate from the rent and would be eliminated once the cost was paid.

discussion

Sixty percent of New York's stabilized housing stock is at least eighty years old and requires more maintenance, not less. Owners will be forced to patch and repair infrastructures which are antiquated and obsolete rather than replacing them.

Violations and building deficits will increase and will result in a deterioration of our housing stock.

Moreover, many businesses that depend on these improvements will be financially hurt by this legislation.

=====

A.857

SPONSORS: BING, V. LOPEZ, GREENE, MILLMAN, MURKEYU, ROSENTHAL, BENEDETTO, WRIGHT, CAMERA, ESPAILLAT, BENJAMIN, PHEFFER, TITONE, JEFFRIES, MAISEL, LANCMAN, O'DONELL, DINOWITZ, KAVANAGH, P. RIVERA, TITUS, CYMBROWITZ, SPANO, POWELL

Affordable housing developments will be permanently regulated after benefits expire or dissolution of the entity. The government offered inducements and incentives for builders to develop affordable housing. The properties had been subject to regulation only until the time that the benefits expired.

Mitchell-Lama properties built after 1974 would be regulated forever and the "unique and peculiar" rent adjustment provision contained in the rent laws would not be applicable to any of these subject properties.

discussion

In the past, developers were reluctant to build in New York because they couldn't rely on the original contracts the government provided in relation to removal from regulation once benefits expired. This bill is yet another example of this pattern. The developers were offered incentives to build affordable housing, and then, when it came time to have the properties removed from regulatory status, the laws were changed so the properties were regulated forever.

This will serve to further discourage the development of affordable housing and sends a clear message to developers: don't build in New York.

=====
A.2002

SPONSORS: SILVER, V. LOPEZ, JEFFRIES, JACOBS, KELLNER, BING,ROSENTHAL, O'DONNELL, FARRELL, WRIGHT, N. RIVERA (Diaz, Glick, Kavanagh, Ortiz, Pheffer, Powell, Spano, Perez)

This bill increases fines against owner who are found guilty of harassment.

Discussion

There are so many laws that protect tenants against harassment that this bill is totally unnecessary. It is like having a double death sentence. One death sentence is usually adequate, but apparently not in New York.

=====

