



**TESTIMONY IN OPPOSITION**  
**S 286 / A 308**

The Rent Stabilization Association of New York City represents 25,000 diverse owners and managers who collectively manage more than one million apartments in every neighborhood and community throughout New York City. This memorandum is submitted in opposition to the subject legislation, which would create a new system of rent control in certain housing throughout New York State. The bill is overly broad in its attempt to address a very specific and unique set of circumstances that would be better served with targeted action by the New York State Department of Health, which regulates assisted living programs.

This bill would create a form of rent control for an indeterminate number of buildings throughout the state. Buildings with 20 or more units which also have “approximately 80 percent or more” lessees who are either senior citizens or people with disabilities would have extremely limited rental increases in addition to extensive lease protections that far exceed any existing rental scheme in the state. This new rental scheme would apply to *all residents* in a covered building whether or not they are considered a senior citizen or disabled as defined by the bill. Additionally, the bill provides judicial discretion in determining whether the bill applies to a building by permitting a court to ignore the 80 percent threshold when “in its determination, the interests of justice warrant it.” Further, based on the vague language in the bill surrounding the 80 percent threshold, buildings would potentially qualify in some years and not in others, depending on the specific composition of the building in any given year, an ill-defined standard that may vary year to year.

This is a good cause eviction bill for a subset of buildings, and all the problems associated with a “good cause eviction” policy would exist here as well. The new regulatory scheme, which would impact all tenants in a covered building regardless of their financial means or status as a senior citizen/disabled person, will create permanent tenancies without regard or consideration for the tenant’s income or affluence, and will severely limit an owner’s right to use and occupy their property. An owner would be forced to renew all tenants’ leases in a covered building and would be limited to the minimal rent increases set by this bill. It would provide all tenants with a life tenancy, allowing them to rent a unit in perpetuity, barring a violation of a lease obligation. A lease term would no longer be effective or legally significant. An owner would no longer be able to lease a property for a prescribed period of time. A tenant would not be required to vacate after their lease has expired, nor could they be removed for holding over. A private owner would lose control of their property under this new regulatory scheme, while retaining all the obligations under the lease. There is no reciprocal benefit to the owner for the loss of their property right; the tenant would not be required to accept any additional responsibilities, and a property owner would be further burdened by a one-sided relationship that, once commenced, could only be terminated by the tenant. Indeed, the cap on rental increases puts covered building owners at a significant economic disadvantage with each passing year, as they not only fail to realize economic return from their property, but also struggle to meet operational costs such as property taxes, heating, oil, and water bills, which are not limited by an annual cap and not all captured by

the consumer price index. And, when not paid or provided, are grounds for administrative and criminal penalties against the owner. It would deter renovation of buildings, both internally and externally, leading to deterioration in a way that has already been seen with rent-regulated buildings in New York City. This unintended consequence of the bill would impact building values, operations, and would disincentivize the creation of buildings that cater to seniors or disabled persons.

Further, this bill does not exempt rent stabilized properties. Therefore, it creates a subclass of rent stabilized properties that would not adhere to rent guidelines board increases, that would have altered or no Senior Citizens Rent Increase Exemption/Disability Rent Increase Exemption benefits (SCRIE/DRIE) benefits and would rewrite Emergency Tenant Protection Act and Rent Stabilization Code provisions surrounding termination of tenancies based on grounds not enumerated in lease agreements but provided for by the Rent Stabilization Law, for example nonprimary residence or chronic nonpayment of rent. For decades, the Rent Stabilization Law has provided for rental increases to be determined by a rent guidelines board that establishes annual increases based on available rental data; this bill contradicts this process for rent stabilized buildings covered by this law, and provides for a fixed increase regardless of the actual financial state of the rent stabilized rental market. Regarding SCRIE/DRIE benefits, rent stabilized, income-eligible tenants in New York City already have their rents frozen and do not pay rent increases; this bill would potentially eliminate the SCRIE/DRIE benefit for tenants in these buildings.

The intent of this bill is to address a very narrow set of circumstances. The remedy, however, should not be the creation of a new regulatory scheme and the enactment of good cause eviction, which will inevitably capture buildings in very different circumstances. Senior living facilities are licensed by the Department of Health, which should have the ability to rectify any problems in that space.