

PRESIDENT'S MESSAGE



Joseph Strasburg

The battles waged in support of the common-sense priorities of multifamily building owners often take years. Success in these efforts – whether policy or political or legal – rarely look like what winning was initially envisioned as and often comes from unexpected places.

New York building owners lost their recent federal cases when the U.S. Supreme Court declined to hear our challenges to rent regulations that, we insisted, became physical and regulatory takings. That litigation took five years and, though we lost, provided a tentative roadmap on how to reapproach the High Court. These were high-stakes and high-profile cases, the outcome of which were disappointing, but were not the only important legal challenges in the pipeline.

In better news, building and home owners recently won their state court challenge to the New York City's inequitable tax assessment system, prevailing in New York's top court on the issue of whether the current assessment and tax scheme violated Real Property Tax Law and the Fair Housing Act. That litigation took seven years and is – thankfully - still ongoing and will now force legislative action to rethink what the Court of Appeals ruled is unlawful and prejudicial. We don't yet know what the future will look like in a system that conforms with the law, but wherever it goes it will be better than what was and will be thanks to this lawsuit.

The Housing Stability and Tenant Protection Act, passed into law in 2019, was bitterly opposed by the residential real estate industry because we knew – even then! – that it was overregulation that would ruin the economic life of buildings, have a cascading negative impact on New York City's budget and diminish the availability of affordable apartments in every neighborhood. We knew it would severely damage the community and regional banking sector, forcing collapses and bailouts.

From its implementation we moved right into the horrific effects of COVID which, understandably, hid the impacts of the law on tenants, owners and the city.

Five years after the HSTPA became law and four years after the start of peak-COVID, owner groups conducted an extensive

study on the impacts of the HSTPA on stabilized buildings. The results were dramatic and we briefed public officials, influential think tanks and advocacy groups. Public education campaigns on the economic reality of keeping old and affordable apartments available helped shape the discussion. Now legislators are talking about changes to the law to allow for increased investment in the rehabilitation of apartments. Strident professional activists we've battled for years are now grudgingly admitting that they went too far, causing divisions with their more radical allies.

We navigated eight years of Bill de Blasio directing the Rent Guidelines Board to provide zero / bare minimum increases on stabilized leases, income that was desperately needed to meet expenses. The politicization of what is supposed to be a data driven process analysis of costs and income and cashflow finally gave way to the more information focused approach by Eric Adams. The new Rent Guidelines Board has put sincere effort into balancing the competing priorities in front of it. We often don't agree with the still inadequate lease adjustments allowed, but we now know we're being heard.

None of these changes happened by accident. Yearslong shifts don't just happen. They take foresight, planning, patience and - above all else - an understanding that there are no quick fixes in a policy area as complicated and involved as affordable housing. These corrections, always overdue and always with costs and trade-offs attached, are a part of policymaking, not apart from it.

Our focus are our priorities and other interests have opinions that they are as attached to as we are to ours. That we're right and have the data to back it up is just one part of the overall discussion. Yelling rarely moves people to change their minds.

It's the same for healthcare, education, environmental concerns and for infrastructure. It's the same for public safety and for public transportation. We are part of a vast tapestry of interests that shape the direction of life in our city and state, every issue impacting every other issue.

Change happens but usually takes years. If it were easier, then anybody could do it. ■

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