NEW YORK STATE
HOMES AND COMMUNITY RENEWAL
BOARD MEETING

Westchester County RGB Public Meeting

Held Via Teleconference

Wednesday, June 23, 2021

7:03 p.m.

[START RECORDING]

MR. PETER M. STECKER: Okay. Good evening. The time is 7:03 p.m. It's Wednesday, June 23rd. This is the Westchester County Rent Guidelines Board presentations public meeting.

I'll start this meeting as I do the other meetings, reading the notice. In response to the Governor's directive to take every effort to keep New Yorkers safe and mitigate the spread of COVID-19, pursuant to Executive Order 202-1, Westchester County Rent Guidelines Board will be conducting public hearings to set guideline rates of rent adjustment for housing accommodations within its jurisdiction, subject to the ETPA, for leases commencing between October 1, 2021, and September 30, 2022, via teleconference.

Instructions for members of the public to simultaneously view or listen to the meetings have been posted to HCR's website for the Office of Rent Administration. Hearings will also be later transcribed, and the public will have the ability to view the transcripts.

With that being said, Chair, I will turn it over to you.

MS. ELSA RUBIN: Good evening. My name is Elsa Rubin. I'm the chair of the Westchester Rent Guidelines.

I welcome my colleagues and all the people who are watching this meeting to this virtual meeting.

And tonight, we are going to hear the presentations of the tenant and owners representatives regarding rent guidelines for leases commencing or being renewed between October 1st, 2021, and September 30th, 2022.

I will now take roll call. Please respond if you are present.

Velene Acquah?

MS. VELENE ACQUAH: Present.

MS. RUBIN: LaMont Badru?

MR. LAMONT BADRU: Here.

MS. RUBIN: Eddie Mae Barnes? I think she's not here yet, but we'll go back to her.

Eliot Cherson?

MR. ELIOT CHERSON: Here.

MS. RUBIN: Kenneth Finger?

MR. KENNETH FINGER: I am here.

MS. RUBIN: Sylvia Hamer?

MS. SYLVIA HAMER: Here.

MS. RUBIN: Evelyn Santiago?

MS. EVELYN ALICEA SANTIAGO: Present.

MS. RUBIN: Tamara Stewart?

MS. TAMARA STEWART: Present.

MS. RUBIN: And Elsa Rubin, present. Let the -- let the record show that we have quorum.

If our counsel, Mr. Stecker, doesn't have any announcements, I will proceed with the introductions of the presenters.

MR. STECKER: Just two quick things, Chair. First, just want to remind everyone the rebuttal and vote meeting will be held on Monday, June 28th at 7 o'clock.

And secondly, Ms. Stewart did send me materials and asked me to disperse them to the Board. I did send an email with the materials. However, it looked like one or two of the recipients got kicked back, so if you haven't received it, if you could send me an email, let me know now, and I'll try to rectify the situation.

MS. RUBIN: Okay. Mr. Finger, do you have a written presentation, also?

MR. FINGER: I have a presentation for tonight.

MS. RUBIN: Written, that we can read afterwards --

MR. FINGER: Yes. I'll have --

MS. RUBIN: -- just in case we miss something.

MR. FINGER: I'll have to clean it up. I sort of have a bunch of notes, but I'll get it and put it in readable form.

MS. RUBIN: Perfect.

MR. FINGER: I'll submit it after the meeting.

MS. RUBIN: Thank you.

So each presenter will have 20 minutes, and Mr. Stecker will be monitoring the time. At the end of each presentation, the board members will have the opportunity to make any comments or ask any questions.

And that said, let's proceed to hear from Mr. Finger, representing the owners.

MR. FINGER: Thank you very much, Chairperson Rubin.

I want to thank the board members in advance, and without being overly dramatic, like to say that you all have the fate of affordable housing and rent-regulated housing in Westchester County in your hands.

I'd like to start by just reviewing the statute that gives this board the power to adjust the rents. Just one paragraph. "A county rent guidelines board shall establish annual guidelines for rent adjustments which," and a skip, "shall be adjusted and shall," and I emphasize the word shall, which means must, "consider, among other things, 1) the economic condition of the residential real estate industry in the affected area, including such factors as the prevailing and projected i) real estate taxes and sewer and water rates, ii) gross operating maintenance costs, including insurance rates, governmental fees, cost of fuel, or labor costs, iii) cost and availability of financing, including effective rates of interest, iv) overall supply of housing accommodations and overall vacancy rates; 2) relevant data from the current and projected cost of living in the cities for the affected area; and 3) such other data as may be made available to it." Please keep this in mind as you deliberate.

In addition to the usual issues that we discuss, this year, there is proof of something I reminded this Board of last year, that the Housing Stability and Tenant Protection Act, the HSTPA, would, in my opinion, have a devastating impact on the rental housing industry. Not only has this happened, but with the pandemic, it was even worse than forecast.

This year, not one tenant, not one, complained about the rent other than Reverend Lofton Woods (phonetic), a former board member, a tenant board member, whose testimony as to her apartment in a cooperative building proves the point that the owners have been making, that deferred maintenance will lead to building deterioration. In her case, I guess it was a loss of gas service.

You may not remember that last year, I started off my presentation with the foreboding issue that I just mentioned. Unfortunately, my concerns were minimal compared to the disaster that struck the multi-family rent-regulated industry with both HSTPA and thereafter, the pandemic.

While New York City-based advocates, such as Mike McKee, come to Westchester seeking to justify rent regulation, that is not the issue before this board. If we were to argue the merits of rent regulation, we can point to literally hundreds of articles and studies that show that rent regulation is self-defeating and lessens the availability of affordable housing.

I'd like to quote one article, which was written in a Brookings Institute study, dated October 2018, by an associate professor of economics in the Stanford Graduate School of Business, Rebecca Guiden (phonetic). She reported on the deleterious effect of rent control.

"Once a tenant has secured a rent-controlled apartment, he may not choose to move in the future and give up his rent control, even if his housing needs change. This misallocation can lead to empty nest households living in family-sized apartments and young families crammed into small studios, clearly an inefficient allocation.

Similarly, if rental rates are below market rates, renters may choose to consume excessive quantities of housing.

Rent control can also lead to decay of the rental housing stock. Landlords will not invest in maintenance because they can't recoup these investments by raising rents."

This article in 2018 was prescient as to our situation in Westchester. However, while we're not arguing the merits or lack of merits of rent regulation, it's a fact of life, and the owners in Westchester have learned to live with it. However, the Westchester owners that you've heard testify are living proof that the fact that the zero increase of last year and the minimal increase of the last five years, which is an average of less than one percent per year for one-year leases, and approximately one and a half percent for two-year leases over the two years, coupled with the loss for vacancy increase and preferential increases led to the following.

One, leaving low rent apartments vacant. You heard this from multiple owners, and resulting in less affordable housing and less housing for young families.

Two, deterioration of buildings. Reverend Lofton Woods is a prime example of that.

Three, lack of capital improvements such as new roofs, heating systems, which will lead to further deterioration. And I might add that the two percent annual payback is notwithstanding that.

Four, lack of monetization of apartments due to lack of the IAI increases sufficient to justify the expenditure, and the limitation on the expenditure to

15,000 dollars over 15 years, and the fact that after 30 years, both with the MCIs and the IAIs, you have to remove it from your rent roll together with any increase on that.

The tenants wanted to eliminate vacancy increases, which did not have -- or did not hurt any existing tenants, so I suggest that be careful what you wish for. This subsidized the lack of reasonable yearly increases and is now gone.

The price index, PIAC, for operating costs, which was sent to you earlier on, indicated that the CPI adjusted net operating income commensurate adjustment was calculated to be 2.75 percent for one-year, and 5.75 percent for two-years. What this means is that just to stay even with the cost of living, there would have to be a 2.75 and 5.75 increase. This is not our number, of course. I am not that optimistic.

It came from the New York City Board's information, using adjusted cost of living figures. Anything less than that means that the owners are actually going backwards.

And as I said, I'm not naïve enough to expect that kind of increase, but look at the owners who testified. Every one of them have assisted in working with their tenants affected by the pandemic. Looking at the survey, repairs decreased by over 10 percent from an increase of 1.4 percent the year before to a decrease of 9.3 percent this year.

And you'll note, for the total income, that the total income actually decreased this year from last, as distinguished from a 2.5 percent increase last year. We believe that's a product of the zero, zero that this Board imposed on the owners.

When we look at the HSTPA, who suffers? Everyone, but mainly the tenants, whose residences will deteriorate. The owners want to fix the residences up. They want to maintain their buildings, but they can no longer subsidize a zero or a one percent rent increase without the vacancy increases, which they no longer have.

So together with the loss of IAIs, MCIs, the owners are really up against the wall this year. We would like to modernize the vacant apartments for new tenants, provide up-to-date capital improvements rather than band-aid repairs, but it's impossible. HSTPA's constrictions make a reasonable rent guideline increase absolutely necessary.

You might also note that there is a significant decrease in the number of HSTPA units, over 10 percent. We got some information today as to why, but why not? Who would want to own buildings where the spiral is to leave the owner with less and less? And to use the cost to income charts as justification is ludicrous.

While the Mount Vernon rent Ms. Roach (phonetic) -- excuse me -- would consider a "profit", that is nothing but a number that does not include the mortgage, or interest, or the money spent for capital expenditures, among other things. So yes, while the number may be large, it does not compensate the owners for their time, effort, expense, in many areas. And it does not compensate even for small profit.

As to the presentation, this analysis is also predicated on 100 percent of the rents being legal, regulated rents. We all know that legal, regulated rents is a fiction, since most significant percentage of landlords give preferential rents. Why should an owner invest in work if the owner can't make money?

Even our illustrious 1199 representative, who would seek to prevent a rent increase and ask for zero, zero, does not take the same position as to her own employees, who received an average of a three percent per year wage increase for the last three years for households in this area, something that she didn't offer to the owners of the property where her employees live. How about the same increase for the owners?

Zero, zero, or one and two is self-defeating, as we can see by the decline in the number of ETPA-controlled units over the last 20 years. If you want this number to keep going down, keep penalizing the landlords. If you want more affordable housing, then you must at least provide the landlords and the owners with an incentive to purchase, rehabilitate, and construct affordable housing.

The minimal rent increases, or none, can no longer be made up, as we've said, with vacancy increases or high income control. That's gone. So if a tenant is making 100 or 500,000 dollars a year, that tenant still has the benefit of the ETPA.

And who's hurt again by this? The tenants. Young families. Newlyweds. Those looking for affordable housing. These buildings -- and by the way, Ms. Chairperson, can you let me know when I'm about half done, so I'll speed a little -- or Peter, so I can --

MR. STECKER: Yeah. You have -- you have nine minutes left, Ken.

MR. FINGER: I have nine minutes left? Okay. I'll talk a little faster. Thank you.

These buildings, which are subject to ETPA, are our affordable housing. They're 70, 80, 90, 100 years old. We're not talking about the fancy, dancy high rises now going up all over Westchester, but these 100-year-old buildings take more and more maintenance, which they are no longer getting. We need a reasonable increase.

Again, the landlords are really getting it in the neck. 51 percent of all rent-regulated buildings in Westchester are 20 units or less. The ma and pa buildings with family ownership. If we include those under 50 units, 90 percent of all buildings subject -- in Westchester are subject to ETPA.

And while we're looking into small landlords, remember, large landlords also have to bear the double-digit increase in insurance, real estate taxes, utilities, water, and the like. And their tenants are also suffering, as are all tenants due to the Board's failure to provide a living income to the owners.

As you know, the State legislature just passed a law that gives some rent relief, but that rent relief goes to the tenants, and the BRI is working like hell to get that out there so that the tenants can pay their rent.

But remember, there are also tenants who won't apply, or can't be bothered, or are over income, or won't even cooperate. There are also those fraudsters who pay their rent, but took advantage of the eviction moratorium, and those also who built up an arrears and skipped town.

And let's not forget that for much of the year, a person laid-off can get unemployment of up to 1,000 dollars a week. They were assisted. The landlords weren't. The landlords could not get PPP.

I actually have a client whose tenant stopped paying rent for a house, and has built up a 40,000 dollar arrears, and yet just bought a Bentley.

There are people who are fraudsters, and there are people who are in need of help. The landlords will help anybody legitimately that needs it.

Given the substantial loss of income, this Board, again, should grant a reasonable increase, since in the past, monies have come from other areas. There will be no more monies virtually from MCIs. There'll be almost no more monies from IAIs. You can't really do much with 15,000 dollars over 15 years.

The only source of any monies for landlords is to be able to -- from the increase that this Board will give, so that they can run, fix, retain, repair, renovate those buildings.

The money that will be used by landlords to meet their expenses has to be more than the minimal guideline increases over the last five years, which total 4.75 percent. 4.75 percent for one-year increases over a period of five years. That is shocking. When you look at the percentage increase in the expenses, the expenses is substantially more than income.

If you want the landlords to provide properly maintained and adequately repaired buildings, we have to give them a reasonable increases. In 2013 to 2014, we had three and four percent. Thereafter, although it took a while to kick in, repairs and maintenance went up, and there were less complaints about repairs and maintenance.

From 2016 on, the repairs, with the minimal increases, have gone down, and last year, we had a ten percent decrease in the amount of money spent for repairs. As we've said, there's virtually no capital or prominent improvement that we'll have because of the HSTPA.

As far as the Emergency Rental Assistance Program, the BRI is working like crazy to help the tenants get as much as they can, but all that does is, it brings us back to zero. It doesn't address past or future costs, increase in real estate taxes, insurance, and is limited in scope as to tenants who qualify under the 80 percent AMI.

Moreover, the landlord cannot evict for a year if this tenant stops paying. And further, there can be no rent increase for the year no matter what this Board does, if the tenant gets the advantage of that program.

And we've heard about the increase in materials for repairs, which make it even harder to make a reasonable repair in today's market.

Lisa DeRosa, a family owner, advised that she had to cancel environmental and green repairs and renovations, such as more efficient windows. And she had the highest vacancy rate last year in years, which is also lost income. Michael Anuko (phonetic) pointed out that in mixed-use buildings, the lack of commercial rent hurt. Isabelle Hoya (phonetic) says she lost considerable arrears that she could not recoup.

Francesca DelMonte (phonetic) confirmed that she had tenants not paying, and a tenant owing over 20,000 dollars skipped out, a not unusual experience. Lynn White (phonetic), with small buildings, said she was keeping apartments vacant, as did Carol Danzinger (phonetic), since she couldn't afford the repairs and the upkeep of those kind of low rent apartments.

Once again, without getting a reasonable increase, the landlords and owners do not have the money to keep up the buildings and the apartments.

A managing agent, Sandra Borducci, pointed out that real estate taxes were up 13 percent, labor was up, insurance was up over 30 percent. Joseph Kazarnovski (phonetic), with 154 units, advised that he had tenants who could pay and just wouldn't. Ken Nelson (phonetic) who you've heard for many years, pointed out that the increase in taxes were in Younkers and Westchester, and that his aging buildings are deteriorating due to underinvestment.

Higher guideline increases are necessary to maintain these aging buildings, many of which are family owned, as with Ms. DeRosa, or Mr. Danowicz (phonetic), or Ms. Ciuffetelli. That's our affordable housing.

With the CPI at 2.4 percent this year, and forecasted over 2 percent next year, we need at least a matching guideline.

Finally, looking over the last ten years, the cumulative two-year annualized increase was 11.6 percent, and for one-year, 14.75 percent, while the CPI went over 17.8 percent. We could get a 3 and a half percent, 4 percent increase, and we wouldn't even catch up. The landlords are behind the 8 ball more than ever.

Peter, let me know when I have about three minutes left.

Since rent increases are restricted --

MR. STECKER: You're at -- sorry Ken -- you're at two and a half right now.

MR. FINGER: Okay. I'm almost done. I got five minutes more.

Since rent increases are restricted, landlords have less incentive to both maintain and improve their housing stock. The proof of this is that years after, substantial increase in maintenance goes up, and when there's less increases, maintenance goes down. Rent controls and rent guidelines, low rent guidelines, have the perverse effect of actually creating less affordable housing, as we've discussed.

Many tenants game the system, remaining in controlled housing while having second homes and use succession rights to deny young families affordable housing.

The deterioration also affects the local communities, because it'll lower the tax base of rent-regulated housing, thereby causing single-family homeowners to have to make up the loss in taxes from the certioraris given to multi-family landlords.

In terms of the cost to income chart, I pointed out that it excludes expenses such as mortgage amortization, reserves, capital improvements, MCIs, and things of that nature. So to say it's profit is just not telling the accurate story.

I must emphasize that the cumulative effect of virtually almost no increases is destroying affordable housing stock in Westchester. Owners cannot survive with zero or minimal one percent increases. We're going to end up, if we don't get a reasonable increase, with the

Bronx in the 70s, and abandoned buildings throughout the county.

I refer you to the undisputed fact that an agreement with tenant advocates regulated housing have decreased about 50 percent for 50,000 to 27,000. This is a major reduction and something that will not turn around until you give reasonable rent increases. If we want people to invest in and improve affordable housing, we have to allow them to not only stay even, but to make a profit.

And we've heard from multiple (indiscernible) landlords who either have family-owned -- I need about one more minute -- or small building investments. It is not un-American to earn a profit in your investment, and if you want, you can get a guaranteed return in a bank, so why invest in real property?

The people that we've heard before the hearing have a personal interest in their buildings and want to provide good housing for their tenants. Minimal rent increases does not work to anyone's benefits. The cost of rent control, as I've said, and rent regulation is subsidized by single-family homeowners.

We ask that you consider the deleterious effect of the HSTPA and the pandemic that's virtually wiped out any income increase last year, and but for this Board's guideline increase, the housing in Westchester will fall flat on its face.

We ask you and the public members and implore you to consider the statutory factors and protect the multi-family rent-regulated building industry and their tenants with a fair and reasonable rent increase. Thank you very much for listening.

MS. RUBIN: Thank you. Before I proceed to questions or comments, I have to acknowledge the presence of Eddie Mae Barnes. Let the record show that she's in attendance to this meeting.

Anybody has a question or a comment for Mr. Finger?

MS. ACQUAH: I have a question.

MS. RUBIN: Yes. Yes, Velene.

MS. ACQUAH: Yes. Mr. Finger, what are you proposing would be an acceptable increase for -- in rents?

MR. FINGER: Well, we think that the increase would have to be at least the -- at least the cost of living increase, which only would keep us even, but we would ask for an increase in the area of 3 percent for one-year and 4.5 percent for two years.

MS. ACQUAH: Okay. Thank you.

MR. FINGER: Excuse me?

Ms. ACQUAH: Thank you.

MR. FINGER: Oh, you're welcome.

MS. ACQUAH: Thank you.

MS. RUBIN: Anybody else? My only comment would be to get them written out so we had discussed before --

MR. FINGER: Okay.

MS. RUBIN: -- because there are some things that you miss, and it's better to have them in writing.

MR. FINGER: Okay. I will give you a written -- my written notes, and I'll put them in presentable fashion, but I varied from them, so they may be slightly different.

MS. RUBIN: Okay. That's fine.

MR. FINGER: We'll -- I'll email them to Peter and he'll make distribution.

MS. RUBIN: Thank you.

MR. FINGER: That work for you, Peter?

MR. STECKER: That works for me. Thanks.

MR. FINGER: Okay.

MS. RUBIN: Yeah.

MR. FINGER: Thank you, everybody.

MS. RUBIN: Thank you.

UNIDENTIFIED SPEAKER: Thank you.

MS. RUBIN: So now we're going to give Ms. Stewart the courtesy of 21 minutes, also, because it's 21 minutes.

MS. STEWART: So Sylvia and I are both going to have something to say, and Sylvia's actually going to start the tenant presentation.

Go ahead, Sylvia.

MS. HAMER: Thank you. Good evening, Madam Chairwoman, Board members, and members of the public. I appreciate the opportunity to say a few remarks tonight. My written testimony will be submitted to Peter for distribution.

So Peter, I'm thinking you'll have it either later tonight or sometime tomorrow, but you will have it by close of business tomorrow.

MR. STECKER: Okay. Thanks.

MS. HAMER: Great. Tonight, I would like to put a face on those -- on those we've heard about, called renters and/or tenants. I'm on the ground 6 days a week helping those who have lost income or who have significantly reduced income due to COVID.

Currently, I work in a soup kitchen and food pantry. On pantry days during COVID, at least 1,500 people receive groceries weekly. On nonpantry days, we took groceries to senior developments and low-income housing complexes. We also served hot dinner 5 nights a week to a long line of people, including children with their parents. During COVID, the line wrapped around our building. And at 7 a.m. every Sunday morning, hungry residents again stood in line to receive a grab and go breakfast and lunch.

To this day, we continue to serve long lines of those who are hungry. We deliver to seniors and housing complexes, which has not stopped. Faces we did not see or know prior to the pandemic, but now have learned their names and celebrate their victories, and those of their children, no matter how small.

Although people think the economy is in an upswing, it's not for many. Who are some of these new faces on the food lines? They are health care workers, teachers, maintenance workers, senior citizens, low to mid -- low to mid-income residents, case workers, children, bank tellers, child care workers. And I'm sure some of you may know one or two people that have been on the food lines as well.

These were some of the people I see on a daily basis, both at work and at my church. They are still unable to meet their basic needs. In addition to food, we continue to distribute Pampers, Depends, baby formula, laundry detergent, laundry cards, toilet paper, feminine hygiene products, socks, gently-used clothing, and towels. How can any of these families afford a rent increase when they can't even purchase the basics for themselves or their children?

Based on my research and experience, I want the Board to consider passing zero percent for one and two-year lease renewals. And more in-depth research and statistics about hunger in our county will be attached to my written remarks, and like I said in the beginning, submitted to Peter no later than close of business tomorrow. Thank you for your kind attention.

MS. RUBIN: Thank you. So Tamara, you are next?

MS. STEWART: Yes.

MS. RUBIN: Go ahead.

MS. STEWART: Good evening, Chairwoman Rubin, fellow Board members, Counsel Stecker, and members of the public.

Once again, we're tasked with deciding an equitable guideline during a once in a century global pandemic that has negatively impacted both owners and tenants. Once again, the digital divide was in evidence, as four times as many representatives spoke on behalf of landlords via Zoom. And once again, it should be clear that the prospects for a full recover are far brighter for owners than for tenants.

There has been a fair amount of reporting about the K-shaped recovery, which has middle and upper-income families bouncing back robustly now that a significant portion of the country has been vaccinated, and the economy is rapidly re-opening.

Unfortunately, future prospects are far less rosy for low-income families, which are largely comprised of people of color. An extensive study published by the Center for American Progress last October opened with, "There has been a long history of housing insecurity for people of color in the United States due to racially targeted policies and widespread discrimination, particularly within the rental housing market. These policies and practices continue to keep people of color in poverty."

The same study concludes, "As recent analyses show, renters of color are experiencing disproportionate negative outcomes from COVID-19. Communities of color, disadvantaged from a long history of racism that has undermined their financial stability and housing security now find their hardships further exacerbated by the ongoing pandemic."

At New York City's Rent Guideline's Board hearing on April 29th of this year, housing policy researchers from the Community Service Society of New York, an independent non-profit organization that addresses some of the most urgent problems facing low-income New Yorkers, testified about the hardships of low-income people, including rent-regulated tenants.

Some of their key findings include 42 percent of rent-regulated tenants reported having their incomes reduced, and 30 percent lost their jobs altogether in 2020. 72 percent of rent-stabilized tenants who permanently lost their jobs during the pandemic reported receiving no rent relief from their landlord, either in the form of a rent reduction or a rent delay.

44 percent of rent-regulated tenants say they are classified as essential workers, including 46 percent of low-income rent-regulated tenants. And 36 percent of rent-regulated tenants reported having problems with their landlord in the past year, notably much higher than unregulated tenants.

The researchers also point out that "Most importantly, while some landlords have seen rent shortfalls because tenants have lost work and have been unable to pay rent, the state and federal government have budgeted enough funds to cover the entire total estimated gap, an unprecedented amount of rent relief, which is ultimately geared toward making landlords whole."

They also point out that because of the rent freeze that owners must agree to in order to receive ERAP funds, "any rent increase, then, would not apply to those landlords, and would instead apply only to those landlords who either refused this substantial aid, or those whose tenants paid the full rent for the past year. The Rent Guidelines Board should not create any financial incentives for landlords to opt out of the rent relief program, nor should it reward only those landlords who faired the best during the pandemic."

The demographics of New York City renters and those in Westchester County are similar, particularly when you consider the racial makeup of Mount Vernon, Younkers, and New Rochelle, where 73 percent of rent-stabilized tenants live, according to the detailed statement provided by former tenant board rep and current MDUT (phonetic) rep, Genevieve Roche, unemployment rates in these communities remain twice as high as pre-pandemic levels, and are significantly higher than the county's overall unemployment rate.

I strongly encourage you to carefully review the excellent and detailed financial analysis provided to this Board by Ms. Roche. As my colleague, Sylvia Hamer, soberly described, food insecurity and the humbling need for basic necessities remains strong in one of the wealthiest counties in the United States.

I sincerely doubt that any of the people who testified on behalf of owners need to stand on line for weekly food from food pantries, nor do they need to ask strangers for toilet paper, diapers, or tampons.

Despite owners' complaints about increased expenses, their actual expenses decreased by 2.4 percent, and their net operating income, the most widely used measure of profitability, was unscathed by the pandemic and continued to hover around 40 percent.

ERAP is expected to address a significant portion of the outstanding rent that we've heard about repeatedly during our public hearing, and hopefully owners will start receiving those funds before the eviction moratorium ends, and thousands of impoverished tenants start getting hauled into court for nonpayment arrears.

Owning rental properties is a privilege of the few, whereas living from one insufficient paycheck or social security deposit to the next is the plight of the many.

Last week, I drove three seniors to a food distribution in Mount Vernon for free produce because none of them can afford a car. AARP recently warned seniors that, along with chicken wings, bacon, beef, and milk, fresh fruit will cost them more this summer. My ladies also regularly line up for food from the Episcopal church across the street from our complex. All three work, and are kind, considerate neighbors, who are rent-stabilized and severely rent-burdened.

Many of the people on line with us looked like my neighbors. I picked up fruit, vegetables, and pasta that

I gave to three other grateful rent-burdened seniors in my building. All of these women have children and grandchildren. They are steadfast contributors to an economy that doesn't afford them the luxury of retiring and not working. All of them are quietly independent and refuse to be a burden to their adult children. They weren't raised that way.

I know that we can't right all of the wrongs that caused a disproportionate number of black and Latino essential workers to contract COVID-19, nor restore the retail, food service, and health care jobs that were lost last year. Sadly, we can't provide my salt of the earth neighbors with the additional income they need to enjoy a worry-free retirement full of visits with grandchildren and free from waiting in line for food.

What we can do, however, is not add to the devastating toll that COVID-19 and structural racism have had on so many tenants' lives. We can provide this year's tenants with the same relief that we provided to their neighbors last year. We can provide tenants who dutifully sacrificed to stay current with their rent last year with the same rent freeze that ERAP recipients will receive. We can enable many of our struggling breadwinners an opportunity to catch their breath and find new jobs to help them care for their families.

We have another opportunity to do the right thing. I urge you to pass zero percent increases on both one and two-year lease renewals. Thank you.

MS. RUBIN: Thank you, Tamara.

Any questions for Ms. Stewart?

MS. ACQUAH: I have one. I have a question for Ms. Stewart.

Do you find that the seniors and the folks who are with children, as far as the hardship, as far as finding food, getting any type of services, do you feel that either are feeling any more hardship than the other? Let's say the seniors versus those with families, at this point?

MS. STEWART: I think it's -- it's a -- it's a bum rap in both directions. A lot of the seniors, even the ones that have (indiscernible), if their income wasn't that high, even though it may be frozen, it's still burdensome because of how low their income is.

And then with some of the folks with families, with the children, the added -- the added costs that come with children eating more, growing out of clothes, et cetera, plus in many households, people either had to cut back their hours or in some cases, somebody, usually the mom, may have had to give up her job and stay home with the kids, because there was no child care. There was no day care. There was no school. Somebody had to be with the kids when they were on Zoom, so I saw both ends get hit really hard last year.

And it hasn't stopped. People were rent-burdened before COVID came along. People were struggling before COVID happened. And COVID just made things worse. And it's taking people time -- and it's going to continue to take people time to really, kind of, get back on their feet.

MS. ACQUAH: All right. Thank you.

MS. RUBIN: I have a question. So you expressed that the landlords who accept the programs offered are not entitled to get an increase in rent.

MS. STEWART: Not for a year. That's part of the agreement that they make when they accept ERAP funds.

UNIDENTIFIED SPEAKER: That's accurate.

MS. RUBIN: Yes. I'm going to -- so for one-year -- for one-year lease --

MS. STEWART: Correct.

MS. RUBIN: -- for two-year lease.

So Mr. Finger, can you please clarify this? Because I'm confused about this.

MR. FINGER: That's -- I mentioned that in my presentation. If you take a tenant and you get advantage of the fact that the government is paying up to a year, or actually up to a year and three months, the landlord can't -- in the future, landlord cannot raise your rent, nor can the landlord evict you. You get a double -- a double benefit for that. After the first year, I think the landlord is entitled to put a guideline increase.

MS. RUBIN: So let me understand this. Let's say, theoretically, that this Board assigns a 1 percent increase for a one-year lease. Does that mean that the landlord cannot put that into effect?

MR. FINGER: Yes.

MS. STEWART: Not for -- not for landlords. For tenants that --

MR. FINGER: Not for one year.

MS. STEWART: -- are -- that the landlord receives ERAP funds for.

MS. RUBIN: Okay.

MS. STEWART: It would only -- it would only go into effect for the tenants who didn't renew leases last year, because we did the freeze then, the tenants who didn't qualify for ERAP, because they kept up with their rent.

So basically, the people who may have depleted their savings, maxed out their credit cards, borrowed from whomever they can borrow from, did whatever they had to do, in order to stay current with their rent, would get hit with the rent increase when other people who were similarly unfortunate, but maybe didn't make the same sacrifices, are going to get a rent freeze.

MR. FINGER: Well, that sort of loads the argument a little bit. There are tenants that won't qualify because they're making more than 80 AMI, and that means that if they're making that much money, they're not entitled to the ERAP benefit. There are tenants who game the system and don't pay their rent, or don't want to apply for the ERAP.

There are tenants -- there's a million reasons why they may not qualify for the ERAP, and they would have -- be subject to this Board's guideline. But, if they do qualify, then they cannot be increased for a year.

MR. CHERSON: And I'll just point out also, that most people, for obvious reasons, when they renewed last year, took a two-year renewal. That's a zero, zero. That means that for the upcoming year, there would be no increase, anyway, even if ERAP did not have a restriction on increases. So as a practical matter, it doesn't have that much of an effect because of the zero, zero from last year.

MS. STEWART: It depends on whether the tenants that are -- a particular tenant, whether or not their lease renewed last year, and whether or not they qualify for ERAP. But the tenants that we're considering guideline adjustments for for this year, it's a whole separate group of people than the ones that we were talking about last year. And it seems to me to be patently unfair that we would offer relief to one set of neighbors and then not to the other.

MR. FINGER: That has been the case from 1974 through this year. That every year, we set an increase, and every year, if the tenant last year took a two-year lease renewal, they did not get affected. If they took a one-year, they did. Exactly the same as last year. Exactly the same as every year this Board has sat for the last 46 years.

MS. STEWART: Except we didn't have a pandemic that was happening for the last 46 years, Ken.

MR. FINGER: Well, all right.

MS. RUBIN: I have another question. I'll be with you. Who is going to monitor these distribution of funds? Who's going to decide, okay, these people got a ERAP and the others didn't? And who is going to be in charge of that?

MR. CHERSON: The State of New York.

MS. RUBIN: The State of New York. Okay.

MR. CHERSON: The State of New York. It's a New York program --

MS. STEWART: OTDA?

MS. ACQUAH: Yes. It's OTDA. Yes.

MS. STEWART: OTDA.

MR. CHERSON: Yes. It's not DHCR.

Ms. STEWART: No.

MS. HAMER: No, it's Office -- (indiscernible).

MR. CHERSON: Yeah. But it's the State that is going to administer it, and it's the State that is --

MS. ACQUAH: Monitoring it. Um-hum.

MR. CHERSON: It's in their control. Albany.

MR. FINGER: But that's not our concern.

MS. ACQUAH: Yeah, that's -- yeah.

MS. RUBIN: Ms. Santiago, you had a question?

MS. SANTIAGO: Yes. Ms. Stewart, you mentioned that the negative economic impact of the pandemic disproportionately impacts people of color. I just wanted to know, what did you base that on, and do we have data to confirm that? Because you mentioned that 73 percent of our affordable housing stock is in Younkers, Mount Vernon, and New Rochelle, so --

MS. STEWART: That's included in Ms. Roche's -- in her testimony and her exhibits, but one of the three exhibits that I included with my testimony this evening is an extensive study that was done by the Center for American Progress last October --

MS. SANTIAGO: Um-hum.

MS. STEWART: -- and that Peter sent to the Board right before our meeting. So you actually have it in your email. It's Exhibit A.

MS. SANTIAGO: Thank you.

MS. STEWART: You're welcome.

MS. RUBIN: Any other questions for the tenant representatives? No?

UNIDENTIFIED SPEAKER: Huh-uh.

MS. RUBIN: Going once, going twice. Okay.

So in that case, I just have to remind you that our last and final meeting is next Monday. At that -- at that meeting, we will have the rebuttal for these two presentations, and also the final vote.

If somebody else has any comment, please come forward now, otherwise, I'm going to ask for somebody to make a motion to adjourn the meeting.

Yes, Mr. Finger?

MR. FINGER: I'll move.

MS. RUBIN: Second?

UNIDENTIFIED SPEAKER: Second.

MS. RUBIN: Thank you. The meeting is adjourned. Thank you very much for your time, and I'll see you on Monday.

[END RECORDING]

C E R T I F I C A T I O N

The prior proceedings were transcribed from audio files and have been transcribed to the best of my ability. I further certify that I am not connected by blood, marriage or employment with any of the parties herein nor interested directly or indirectly in the matter transcribed.

Signature

Date June 29, 2021