

NEW YORK STATE HOMES AND COMMUNITY RENEWAL (HCR)

BOARD MEETING

NASSAU COUNTY RENT GUIDELINES BOARD

Nathan L.H. Pavilion

One Washington Street

Hempstead, NY

June 21, 2022

7:35 - 8:50 p.m.

June 21, 2022

MEMBERS PRESENT:

Michael Miller	Chairperson
Garrett L. Gray, Esq.	Public Member
Cathryn Harris-Marchesi, Esq.	Tenant Member
Martin Melkonian	Public Member
Robert Rychlowski	Tenant Member
Barry Stein	Owner Member
Jeannetta Alexander, Esq.	Public Member
Adam Mahoney	Public Member
Andrew M. Cohen	Owner Member

ALSO PRESENT:

James Ferrara	Associate Attorney
Salvatore Haughie	Housing Rent Specialist
Michael Langiulli	Housing Rent Specialist

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2 (The board meeting commenced at 7:25 p.m.)

3 MR. MICHAEL MILLER: Ladies and  
4 gentlemen, welcome to the hearing for the Nassau  
5 County Rent Guidelines Board. We're going to get  
6 started now. I'm going to start by asking the  
7 members of the board to introduce themselves,  
8 starting on my left.

9 MR. ROBERT RYCHLOWSKI: Rob Rychlowski,  
10 tenant member.

11 MS. JEANNETTA ALEXANDER: Jeannetta  
12 Alexander, public member.

13 MS. CATHRYN HARRIS-MARCHESI: Cathryn  
14 Harris-Marchesi, tenant member.

15 MR. GARRETT L. GRAY: Garrett Gray,  
16 public member.

17 MR. MARTIN MELKONIAN: Martin Melkonian,  
18 public member.

19 MR. ADAM MAHONEY: Adam Mahoney, public  
20 member.

21 MR. BARRY STEIN: Barry Stein,  
22 [unintelligible] [00:00:37].

23 MR. MILLER: My name is Mike Miller, I'm  
24 a public member.

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2 MR. JAMES FERRARA: James Ferrara, from  
3 DHCR.

4 MR. MICHAEL LANGUILLI: Michael  
5 Languilli, research and analysis, DHCR.

6 MR. SALVATORE HAUGHIE: Salvatore  
7 Haughie, DHCR research analysis.

8 MR. MILLER: Thank you very much. Has  
9 everyone had a chance to go over the minutes from  
10 the last meeting? Any amendments? All in favor,  
11 aye.

12 MULTIPLE: Aye.

13 MR. MILLER: Any opposed and  
14 corrections? Alright. We're going to go right  
15 into our meeting tonight. Again, it's good to be  
16 back live, after a year of being shut down, it's  
17 really good to see all the beautiful faces all  
18 over again, so we're going to go ahead and get  
19 started. Our first speaker is going to be  
20 Sessions, right? Sessions, come up, please. Let's  
21 hear from you.

22 MS. JEANWOOD SESSIONS: Good afternoon.  
23 My name is Jeanwood Sessions. I'm here to talk  
24 about why the pandemic did not affect landlords,

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2 period. I have some numbers that I got from the  
3 Building Department here in Hempstead. Just a  
4 moment, and it's violation that go back the last  
5 four years. The pandemic has been two. And it is  
6 a total of 258 violations against 590 and 600  
7 Fulton Avenue, that complex. And that's not  
8 counting violations that were supposed to -- he  
9 got fined for and he was supposed to fix and  
10 they're still not fixed today. I can only speak  
11 of my building because that's what I know. He has  
12 improved security in the daytime during the week,  
13 which is a decrease in services. The doors are  
14 kept unlocked. We have people that come in and he  
15 knows this, come in at night time, wear them  
16 badges and they're sleeping in the  
17 [unintelligible] [00:03:26]. Garbage, and I mean  
18 the Building Department knows all this, the  
19 garbage is flowing out of the garbage room out  
20 into the hallway. And this is on Sundays. No  
21 garbage is apparently is taken out of the  
22 building on Sundays. But it's just in the  
23 hallways.

24 So the point I'm trying to make is they

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2 weren't -- they're not doing their job anyway, so  
3 it's not a pandemic issue. That's it.

4 MR. MILLER: Thank you. Charles  
5 Torsiello.

6 MR. CHARLES TORSIELLO: Good evening,  
7 everyone. Can you hear me okay?

8 MR. MILLER: Yes.

9 MR. TORSIELLO: Good evening, Mr.  
10 Chairman, ladies and gentlemen of the board. My  
11 name is Charlie Torsiello. I'm a member of the  
12 company that owns 159 [unintelligible] [00:04:38]  
13 in Hampstead, and I thank you for the opportunity  
14 to say a few words this evening. As I have  
15 commented in the past, it's my understanding that  
16 HCPA was established to prevent landlords from  
17 engaging in price gouging when affordable  
18 apartments were scarce. As far as I know, it was  
19 not established to artificially maintain  
20 extremely low rents, nor established to  
21 completely replace the free market system where  
22 rents are depressed significantly below market  
23 value.

24 But that is exactly what happened. For

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2 those tenants to have remained in their  
3 apartments for many years, their rents have not  
4 kept up with anything near inflation. And why  
5 should those tenants be the lucky ones to enjoy  
6 these subsidies simply because they have  
7 longevity in the building?

8 Also, since the new 2019 new DHCR rules  
9 have been placed into effect, there are no  
10 vacancies increases over those. New tenants in a  
11 good apartment and a lot of luck just may stumble  
12 upon an artificially low rent apartment and they  
13 get lucky and get it. It just doesn't seem right.  
14 It's so random that winners and losers of  
15 apartment rented are selected by that type of  
16 [unintelligible] [00:05:55].

17 [CROSSTALK]

18 MR. TORIELLO: [unintelligible]  
19 [00:05:56] deal with it the best we can. However,  
20 this board can do something to mitigate those  
21 circumstances by passing reasonable guidelines  
22 allowing landlords to properly maintain their  
23 buildings. Speaking of maintenance costs, over  
24 the last several years, we have had made

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2 significant investments in our buildings. In  
3 2018, we spent \$450,000 on some brickwork,  
4 [unintelligible] [00:06:21] windows, things like  
5 that. In 2019, we spent \$225,000 on windows. And  
6 we have planned some balcony and fire escape work  
7 over the next year or so, which would be more  
8 like \$150,000.

9 How can a small landlord with one of  
10 those [unintelligible] [00:06:39] investors with  
11 these artificially low rents, and the answer is  
12 [unintelligible] [00:06:44] without seriously  
13 eroding our profits and bottom line. Small  
14 landlords work their buildings. They're not  
15 sitting in an office somewhere with staff members  
16 doing all the work. They're rolling up their  
17 sleeves, working day in and day out to run their  
18 buildings. It's a full time plus job. No weekends  
19 and holidays off for emergencies.

20 People should be able to earn a  
21 reasonable salary and income for their efforts,  
22 tenants and [unintelligible] [00:07:10]. So  
23 landlords should be allowed as well. And these  
24 artificially low rents don't allow us to,



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2 especially with those significant investments we  
3 need to make to maintain the buildings. Not to  
4 mention the financial risk involved with just the  
5 building itself, [unintelligible] [00:07:28].

6 Tenants go to work every day for their  
7 paycheck and somehow landlords are looked at  
8 differently. But small landlords shouldn't be.  
9 It's a job. So we need to get paid too. I  
10 sympathize with the challenges of low and fixed-  
11 income tenants. However, landlords for rent  
12 stabilized buildings are not in a position, nor  
13 legally charged with responsibility to subsidize  
14 those folks, as difficult as things may be.

15 In addition to general building costs  
16 which had increased dramatically, insurance is  
17 another major challenge for landlords. I've  
18 spoken to landlords where their insurance has  
19 gone up 30 percent this year in some cases.

20 My last point is the following. The  
21 guidelines were passed not only affect large  
22 landlords, but also one building owner landlords  
23 that can least afford to maintain their  
24 buildings. Small landlords, especially need

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2 adequate guidelines to keep track of inflation  
3 and their operating costs. Single landlord owners  
4 particularly work their buildings as a job and  
5 such should be entitled to fair compensation when  
6 they go to work. Please remember small landlords  
7 during your deliberation process. Thank you.

8 MS. HARRIS-MARCHESI: I have a question.  
9 This is Cathryn Harris-Marchesi. And this is  
10 actually out of curiosity. What do you consider  
11 to be a fair market rent for a studio apartment?

12 MR. TORSIELLO: Around 1,400.

13 MS. HARRIS-MARCHESI: Okay. And what do  
14 you consider to be for a one-bedroom?

15 MR. TORSIELLO: About 1,800.

16 MS. HARRIS-MARCHESI: And what do you  
17 consider for a two-bedroom?

18 MR. TORSIELLO: It depends, is it a two  
19 bedroom, two bath, or just, there's some small  
20 two bedrooms that are like 19. And then there's  
21 some full two bedroom, two bath that could be 25.

22 MS. HARRIS-MARCHESI: Okay. So from 19  
23 to 25, would that be fair to say?

24 MR. TORSIELLO: It depends on the size

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2 of the apartment.

3 MS. HARRIS-MARCHESI: Okay.

4 MR. TORSIELLO: And the updates.

5 MS. HARRIS-MARCHESI: Okay. And what  
6 about a three-bedroom apartments?

7 MR. TORSIELLO: I don't have any of  
8 those, I don't know.

9 MS. HARRIS-MARCHESI: Okay. And do you -  
10 - you don't have any four, correct?

11 MR. TORSIELLO: No.

12 MS. HARRIS-MARCHESI: Okay. Are you able  
13 to write off your debt service as part, from your  
14 taxes as part of your business?

15 MR. TORSIELLO: Obviously, interest.

16 MS. HARRIS-MARCHESI: Okay. You have  
17 interest and so-forth?

18 MR. TORSIELLO: Interest.

19 MS. HARRIS-MARCHESI: Yeah, okay. Thank  
20 you very much.

21 MR. RYCHLOWSKI: Excuse me.

22 MR. TORSIELLO: Yeah, go ahead.

23 MR. RYCHLOWSKI: What do you consider as  
24 small landlords?

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2 MR. TORSIELLO: It's subjective, but  
3 certainly a one-building owner landlord is a  
4 small landlord. Even somebody with a few  
5 buildings could be.

6 MR. RYCHLOWSKI: But how do you  
7 [unintelligible] [00:09:51]?

8 MR. TORSIELLO: What's that?

9 MR. RYCHLOWSKI: [unintelligible]  
10 [00:09:53]?

11 MR. TORSIELLO: I really haven't given  
12 it enough thought to give you an answer on that.  
13 I'm just considering large landlords that own  
14 nine buildings, they have staff, they have people  
15 in the field. Small landlords usually work it  
16 themselves, maybe they have a super, but you  
17 know, I haven't given it enough thought to give  
18 you a definition of small or big. I can tell you  
19 I'm small.

20 MR. RYCHLOWSKI: Okay.

21 MR. MILLER: Thank you. Michael McKee.

22 MR. MICHAEL MCKEE: Good evening,  
23 Chairman Miller and members of the board, it's a  
24 pleasure to see you and see you other than on a

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2 screen. It's been a very strange two years. My  
3 name is Michael McKee. I'm the treasurer of the  
4 Tenants Political Action Committee. I'm not going  
5 to read my testimony because it's too long, but I  
6 will suggest that between now and Thursday you  
7 give it a read. So I'm just going to talk about a  
8 couple of highlights.

9 I want to first of all remind you what  
10 your job is. Your job is to keep rents  
11 affordable, not just for current tenants living  
12 in the apartments now, but for future tenants who  
13 are going to need an affordable place to stay. In  
14 other words, to protect the housing stock to keep  
15 it affordable. Obviously, not to penalize  
16 landlords to the point where they can't maintain  
17 their buildings, but I would say that over the  
18 last seven or eight years, this board has done a  
19 fairly good job of coming in with reasonable  
20 moderate rent adjustments, including in a couple  
21 of years where you have frozen rents.

22 I know what you're going to be hearing  
23 from landlords and it's all about inflations. I  
24 want to remind you that inflation affects

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2 everyone. It affects tenants every bit as much as  
3 it affects landlords. And I ask you to consider  
4 who is better equipped to withstand high  
5 inflation? The people who live in rent stabilized  
6 apartments or the people who own them? And I  
7 submit that any rational consideration of that  
8 question, you have to come down on the side that  
9 landlords are better equipped to survive  
10 inflation. There are many advantages to ownership  
11 of rent regulated housing, which is very  
12 profitable, it's highly sought after, there's  
13 still a lot of selling and buying of rent  
14 regulated buildings. And I want to remind you of  
15 a speech that Harry Helmsley, of the Helmsley  
16 Organization, I assume you remember who he was,  
17 he made to the Young Men's Real Estate  
18 Association back in the 1970s, in which he said,  
19 and I quote, "buy real property early in life and  
20 watch inflation make you rich." Think about it.  
21 So, yes, landlords are seeing greater increases  
22 in their operating costs, but tenants are paying  
23 more every time they go to the grocery store,  
24 every time they write a utility check and every

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2 time they fill up their gas tank. So don't just  
3 assume that your job is to look at the landlords  
4 like that.

5 I'm not going to belabor the question of  
6 net operating income. This is something I've  
7 talked about for years when I've come before this  
8 board. But I do want to point out to you that  
9 over the last 35 years, net operating income, as  
10 demonstrated by the second column of the historic  
11 cost and income ratio chart, over the last 35  
12 years, net operating income has remained stable  
13 and landlords are not doing badly in Nassau  
14 County.

15 I submit to you that a 37.2 percent, or  
16 37 cents on the dollar is a pretty good net  
17 compared to virtually any other industry. If you  
18 consider the supermarkets operate on a margin of  
19 three to five percent, I don't think landlords  
20 have much to complain about.

21 I believe that there is a missing piece  
22 of information that you need to think about.  
23 Apparently, the research staff at the office of  
24 rent administration did not think to include a

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2           question in this year's surveys that they

3           submitted to the owners in Westchester, Rockland

4           and Nassau to ask them about income under COVID

5           programs like PPP or ERAP, Emergency Rental

6           Assistance Program, or the LRAP, which is the

7           Landlord Rental Assistance Program. We know that

8           many landlords have received these payments and

9           apparently they are not counted for in the

10          numbers before you. It states pretty clear that

11          landlords are not reporting this income. The

12          Office of Temporary Disability Assistance, OTDA,

13          reports on its website that as of June 15th,

14          almost \$10 million in ERAP payments have been

15          made to landlords in Nassau County. Now not all

16          of that obviously went to apartments in rent

17          stabilized, in buildings with rent stabilized

18          apartments. Some of them must have gone through

19          unregulated apartments. But some of it certainly

20          has gone to owners of rent stabilized apartments.

21          And apparently, it's not accounted for, nor is

22          the LRAP income nor the PPP income. Now I want to

23          remind you the Paycheck Protection Program loan

24          can become, can be forgiven. People who took out



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2 these loans have an opportunity to get them  
3 forgiven whereby it gets converted into a grant.

4 Finally, just think in terms, I've given  
5 you some numbers here of, hypothetical numbers of  
6 how, what a one percent, what a two percent, what  
7 a three percent, what a four percent, what a five  
8 percent rent adjustment would mean in terms of  
9 dollar per month rent increases. We don't have  
10 information from the Office of Rent  
11 Administration about median rents of occupied  
12 apartments. So I had to improvise. I had to use  
13 the data that we do have available from the  
14 vacancy turnover charts that they provide you as  
15 well as a figure from Westchester, which ORA  
16 provided to the Westchester Rent Guidelines  
17 Board, which is the [unintelligible] [00:17:03]  
18 or May rent adjustment, rent increase, or not  
19 increase, average of May rent in Westchester  
20 County in [unintelligible] [00:17:18]. From that,  
21 I extrapolated that maybe the median rent in ETPF  
22 funds in Nassau County is \$1,500 a month. I know  
23 people in Nassau who are paying more than that,  
24 and of course the median means that some, that's

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2 right in the middle, it means half are paying  
3 more and half are paying less.

4 But I want you think not in terms of  
5 percentages, but think in terms of the actual  
6 dollar amounts that you are going to be imposing  
7 on tenants if you raise rents, and I think that  
8 it's something that you really should consider.  
9 It's easy to talk about percentages, but when you  
10 translate it to dollars, it becomes very real.  
11 Thank you very much.

12 MR. COHEN: A question.

13 MR. MILLER: A question?

14 MR. COHEN: Not a question a comment. I  
15 believe rental real estate was not subject, or  
16 it's not allowed to use the PPP program.

17 MR. MCKEE: I've been told that there  
18 are [unintelligible] [00:18:20].

19 MR. COHEN: I assure you, I believe that  
20 was [unintelligible] [00:18:24] PPP.

21 MR. MCKEE: Well, I guess, I guess you  
22 must know, Mr. Cohen, so I couldn't possibly  
23 know, could I? I've been told by people who are  
24 in your position, it some way looks like PPP

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2 loans. Maybe just the big ones, but apparently it  
3 happened. But anyway, even if you're correct, my  
4 point about ERAP and LRAP stands.

5 MR. COHEN: That was money that was  
6 [unintelligible] [00:18:59] were entitled to  
7 that.

8 MR. MCKEE: I'm not saying they weren't  
9 entitled to it. I'm just saying --

10 MR. COHEN: But what's your point.

11 MR. MCKEE: -- it's not apparently  
12 accounted for --

13 MR. COHEN: [unintelligible] [00:19:09].  
14 It's got to be on the record, or?

15 MR. MCKEE: It's apparently not reported  
16 as income.

17 MR. COHEN: Of course it is. So what  
18 you're saying that landlords are not reporting  
19 the rent that they get? Of course they are.

20 MR. MCKEE: I don't think so.

21 MR. COHEN: And what evidence --

22 MR. MCKEE: I just saw an email from  
23 Jeff Horowitz of [unintelligible] [00:19:24] --

24 MR. COHEN: -- what evidence do you

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2 have?

3 MR. MCKEE: Excuse me. I just --

4 MR. COHEN: That they don't report the  
5 [unintelligible] [00:19:29]?

6 MR. MCKEE: -- I just saw an email from  
7 Jeff Horowitz from the Office of Rent  
8 Administration who does these [unintelligible]  
9 [00:19:34] --

10 MR. COHEN: You mentioned a false  
11 accusation --

12 MR. MCKEE: -- in which he acknowledged  
13 that they did not think about. So maybe some way  
14 it was reported as rental income, maybe some  
15 landlords reported it as miscellaneous income,  
16 but we don't know.

17 MR. COHEN: Absurd, it's an absurd  
18 argument that you're giving us.

19 MR. MCKEE: Gee, Mr. Cohen, it seems you  
20 and I have had this conversation for about 20  
21 years now.

22 MR. COHEN: You mean your absurd  
23 arguments.

24 MR. MCKEE: Thank you very much.

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2 MR. MILLER: Thank you, Michael. Aimee  
3 Rychlowski.

4 MS. AIMEE RYCHLOWSKI: Good evening, my  
5 name is Aimee Rychlowski. I want to speak today  
6 about a few items that are very concerning. On  
7 Tuesday, June 6th of this year, the headline was  
8 more than 300,000 Long Island households are cost  
9 burdened, spending more than 30 percent of their  
10 income on housing. Just a quick side note,  
11 according to Long Island Cares, food pantries or  
12 their food insecurity numbers have increased by  
13 43 percent. I know myself, I work in the city and  
14 I see the homeless, I see those waiting in food  
15 lines every morning. It's sad. As I come into  
16 Nassau County, now I'm seeing it. I see it in  
17 Long Beach, I see it in Ocean Side, there are  
18 people waiting outside of grocery stores, people  
19 waiting along the roads, people selling mangos  
20 and churros. So it's a difficult time for many,  
21 many people.

22 The typical household on Long Island  
23 must earn 36.12 an hour to afford a modest two-  
24 bedroom apartment at fair market rent, a fair

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2 market rate according to a new report. And this  
3 was according to Alex Costello how much money  
4 renters on Long Island need for a modest  
5 apartment. On Long Island, a worker earning the  
6 state minimum wage would have to work more than  
7 80 hours a week just to earn enough to pay for a  
8 two-bedroom apartment. It's difficult for  
9 families to keep up and nearly impossible to get  
10 ahead of [unintelligible] [00:22:05] higher  
11 education. Without a stable home, children suffer  
12 emotionally and in school. Seniors also cannot  
13 possibly retire with dignity and respect. Being  
14 an educator, I see the effect, I see the  
15 behaviors, I see the children that are not able  
16 to pay attention because they're you know,  
17 they're not getting enough food and they rely on  
18 our schools to provide that for them.

19 And in America today, nearly 11 million  
20 people, families pay more than have of their  
21 limited incomes towards the rent. In Nassau  
22 alone, the estimated mean renter range is 1507,  
23 which means they would be able to afford rent at  
24 a mean rental rate of \$783. I don't know anywhere

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2 on the island, I don't know anywhere in New York  
3 State, possibly upstate, but nowhere within your  
4 guidelines would anybody be able to afford that.  
5 Another 20, is in Hempstead Town as an example,  
6 our rent burdened households, 57.5 percent of the  
7 Hempstead tenants are paying more than 30  
8 percent, and that is across the board for many of  
9 the Long Beach, Garden City Plaza. And again,  
10 when adjusted for inflation, median income for  
11 Long Island has fallen slightly since 2000, yet  
12 the median housing costs have increased by 24  
13 percent.

14 According to the Regional Planning  
15 Association, the median gross rent for Nassau  
16 County is 1738. That sounds along the lines of  
17 what the gentleman was speaking of before. And  
18 now this is 36.5 percent of the renters' median  
19 income. We know that there are many areas,  
20 especially Hempstead where they're living on  
21 minimum wage income.

22 And another thing that I just wanted to  
23 bring up is that 35 percent of the tenants and  
24 the renters are Millennials. And those

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2 Millennials have had a [unintelligible]  
3 [00:24:23] since the student loans have been put  
4 on pause. Those are now coming back in as of the  
5 end of August, they will have to begin paying  
6 those as well. And the average is \$400 a month.  
7 So you get that on top of rent increases for  
8 people that have lost their jobs, many of them  
9 have had to take jobs that are at lower rates,  
10 and it just puts an incredible burden on the  
11 tenant, so I ask you please use good judgment.  
12 Take into account also that recovery from Long  
13 Island depends on people being able to work a low  
14 paying job. Unfortunately, that boosts, you know,  
15 our big economy. So we have our big economy, but  
16 we have our rates assist, we have our store  
17 workers, you know, we rely on them. In order for  
18 Long Island to recover, we really need to take  
19 into account they need homes, they need houses.  
20 Not beside of the road, not in a refrigerator  
21 box.

22 MR. MILLER: Thank you. [applause]

23 Legislator Denise Ford, please.

24 MS. DENISE FORD: Good evening,



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2 everyone. Thank you very much for letting me  
3 speak tonight. We all know times are tough, you  
4 know, facing recession, money is tight, expenses  
5 are going up and everybody is feeling the pinch,  
6 regardless whether or not you're a landlord or  
7 tenant. We understand that.

8 But for me I have to advocate for the  
9 tenants, you know, because I believe that on,  
10 when you look at the scheme and have the  
11 [unintelligible] [00:26:01] income and, and  
12 expenses, I think the tenants are the ones on the  
13 lower end of the income, of the economic scale.  
14 Many of them are, again, as Aimee had spoken  
15 about, mentioned, that they are low, many of them  
16 are low wage earners. They don't make a high  
17 income. They're spending a large portion of  
18 their, the money that they do have to live in  
19 these rent stabilized apartments. And by  
20 providing a, by allowing a rate increase, a big  
21 increase, many you know create a strain on their  
22 ability to even be able to stay in that apartment  
23 and even stay in the neighborhoods where they've  
24 lived for so many years.

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2 [unintelligible] [00:26:47] previous  
3 speaker on the landlords' side had spoken about  
4 like people staying there for so long. Well,  
5 there is a benefit when you have somebody that  
6 can stay in a place for 20 or 30 years. Many of  
7 these landlords, I believe, when they took these  
8 buildings, when they had them, they knew that  
9 they had rent stabilized apartments there, and  
10 they would be under the guidelines of the Rent  
11 Stabilization Board. So it wasn't I think a  
12 surprise to them that they would have to adhere  
13 to certain rules, attend to certain guidance and  
14 the increases that would be granted by this  
15 board.

16 And I understand when we talk about,  
17 when we look at the larger landlords as well as,  
18 you know, as compared to the landlords that have  
19 the smaller buildings. You know, I'd like to see,  
20 I was reading, just briefly, the income and  
21 expense statements and I, I don't think all of  
22 the building owners have submitted these papers,  
23 which has been a recurring problem every year so  
24 we can get a better picture of what is the

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2 balance between income and the expenses for the  
3 landlords. But I'd like to then see what are the  
4 smaller landlords, what are they experiencing,  
5 what is it compared to their income and the  
6 expenses that they have and what are they  
7 realizing. Like as has been said, regardless of  
8 whatever they made and whatever they spent, they  
9 probably are still making a better return than  
10 what a lot of the tenants have, because many  
11 tenants don't even have savings accounts where  
12 they can save or I'm going to get interest on my  
13 savings.

14 You know, we think about it like how  
15 people, like how we are with our society today  
16 and I get an opportunity, I might have mentioned  
17 this the last time I spoke, that I had an  
18 opportunity to volunteer at Long Island Harvest,  
19 and we were packing up boxes, you know, and they  
20 were telling me that there was a greater need,  
21 that more and more people are looking for  
22 assistance helping with getting food to be able  
23 to feed themselves and their family. My office,  
24 we get a lot of phone calls, people looking for

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2 places to live. They're on the verge of being  
3 homeless. But we do have people that are  
4 homeless, people that can't find places to live,  
5 so they're living on people's couches, you know,  
6 so it, it really is a great need, to keep a lot  
7 of these apartments where people can still afford  
8 and still be able to live in them.

9 Many of the apartments that rent  
10 stabilized apartment -- I mean the buildings, I  
11 should say where rent stabilized apartments are,  
12 are also shared by people coming in paying market  
13 rate rents and many of those rents are not  
14 controlled. You know and a landlord could raise  
15 it. I know people who say that their rents are  
16 going up, and like maybe they were paying \$3,000  
17 a month and it's going up to \$3,800, it's going  
18 up to 4,500 and the people are going to pay it,  
19 because they want to stay in these buildings,  
20 they want to stay where they've been living.

21 So many of these landlords can offset  
22 the rent stabilized apartments. Not, you know, I  
23 know that you're probably thinking to yourself  
24 why should we burden the people that can, you

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2 know, that are paying market rate, why are we  
3 asking them to pay more than what the rent  
4 stabilized people are. But this is what it is.  
5 You have these apartments, the landlords knew  
6 about them. And I think that what we need to do  
7 at this time would be, the economy going the way  
8 that it is and the constraints that people feel,  
9 that I think that what we have to, you know,  
10 decide on, you have to go on the side of the  
11 tenants and really take a look at the hardships  
12 that they face, which I believe firmly are much  
13 greater than those of landlords. Thank you very  
14 much. [applause]

15 MR. STEIN: Good evening, ladies and  
16 gentlemen. My name is Barry Stein and I'm a  
17 landlord rep. I just want to say a couple of  
18 things from a factual standpoint. First of all,  
19 this Thursday, I'm going to propose as a landlord  
20 rep, and I think my colleague Andy Cohen would  
21 agree, for the past many years as I can remember,  
22 we've always tried to install the SCRIE program.  
23 And the SCRIE program has to do with where again,  
24 it enables, decreases the rents for senior

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2 citizens that can't afford to carry. And what  
3 happens it then goes back as a credit to the  
4 landlords. And I don't recall in all the years  
5 I've been on this board and I can name all the  
6 municipalities, I don't recall any municipality  
7 stepping up and looking to help their senior  
8 citizens. It's okay on the backs of the  
9 landlords, but nothing, nothing for the senior  
10 citizens. I know we tried a while ago, and I'm  
11 here to propose it, I think the board was very  
12 much in favor, but I don't know any town that has  
13 ever tried to help their senior citizens, which I  
14 have sensitivity to. And I think everyone on this  
15 board more so than the general [unintelligible]  
16 [00:31:44].

17 The second thing is I understand  
18 depreciation and not being assessed. But  
19 [unintelligible] [00:31:50] cash flow pays the  
20 bills, not necessarily the net worth, but the  
21 cash flow. And most borrowers that I know in the  
22 40 years of financing, owning and teaching real  
23 estate, [unintelligible] [00:32:05] which means  
24 there's interest and amortization in the debt

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2           [unintelligible] [00:32:07]. And that's a very

3           large portion of their expenses. And I'd like to

4           propose that if anyone has any wonderful

5           suggestions, right now, the interest rates for a

6           number of years have been very low. And they've

7           been at three percent [unintelligible]

8           [00:32:23]. But now the interest rates have

9           began, I mean right now are the mid fives, and by

10          the summer, [unintelligible] [00:32:29] or so,

11          last night at dinner, it's going to six percent.

12          So, it's at 5.5 percent today. That's factual.

13          That's through your community bank, that's

14          Fortune Bank, [unintelligible] [00:32:41] had to

15          go all the way down the list of lenders that are

16          multifamily lenders, [unintelligible] [00:32:46]

17          how do you address now the rates that mortgages

18          that are coming due on some of [unintelligible]

19          [00:32:53] some of these stabilized apartments

20          that are at three percent, going at five to six

21          percent and double [unintelligible] [00:32:59].

22                   Does anyone have suggestions of how they

23                   can help the landlords out? Now [unintelligible]

24                   [00:33:06] I know we're talking about the tenants

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2 and there's a balance there, and inflation that's  
3 helping this, driving this, yes, we're all  
4 affected, and so are landlords.

5 And I would say next year when the new  
6 bills come out, I don't know if anyone else has  
7 [unintelligible] [00:33:22] my fuel bill will  
8 triple. [unintelligible] [00:33:25] so surprised.  
9 It's not just me. When I fill my car up, it's  
10 almost \$100. It's not just me. It's everyone  
11 here, including landlords. So I'm just thinking  
12 you've got to have a reasonable balance on not  
13 only just today but where we're going in the  
14 future, and it's not less. It's not less for all  
15 of us.

16 And I think the landlords I'm sure are  
17 concerned, when I have loans coming due, it's now  
18 not going to be three percent, it's now 5.5 going  
19 to six. That's really [unintelligible]  
20 [00:33:57]. Our landlords are going to  
21 [unintelligible] [00:34:00]. That's just  
22 [unintelligible] [00:34:01].

23 MR. MILLER: Robert, go ahead.

24 MR. RYCHLOWSKI: Yes, thank you for your



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2 testimony, Barry. I think that what we should  
3 look at, we should look at what the tenants are  
4 paying. They're paying, according to their  
5 documents through this year, the mean current  
6 rent is over 2,000 in the apartments where there  
7 was turnover, okay, they're over 2,000. So the  
8 landlords are not suffering. It also shows on the  
9 NOI of 67.2 percent. That's the highest it's been  
10 since 1998. So the landlords are not suffering  
11 under [unintelligible] [00:34:39].

12 MR. STEIN: Some, I may say some  
13 landlords, and it's very odd when 40 percent of  
14 the, for the buildings don't reply. And Andy and  
15 I have always said how do we mix market rates  
16 rents with stabilized rents? It's not accurate.  
17 And what I'm talking about, landlords might have  
18 been doing okay. I would say a one percent or a  
19 two percent increase is what you call a bonanza.  
20 But we're going into a situation where I can't  
21 recall we've had it, I think it went back,  
22 [unintelligible] [00:35:11] bought my house that  
23 had a 16.75 percent mortgage. Well, we're going  
24 into a very serious situation and there has to be

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2 some balance recognized in what inflation is, is  
3 hitting us right now. And they have an increase.  
4 So that's what [unintelligible] [00:35:26] --

5 UNIDENTIFIED MALE: [unintelligible]  
6 [00:35:29].

7 MR. RYCHLOWSKI: A lot of these  
8 multifamilies have been, from the landlords that  
9 have refinanced their properties to buy  
10 additional properties, so it's kind of a  
11 dishonest --

12 MR. STEIN: They took advantage, of  
13 course they own the buildings and they're  
14 entitled, but what I'm saying is now it's going  
15 to double.

16 MR. RYCHLOWSKI: I'm not, I  
17 [unintelligible] [00:35:43]. I don't think that  
18 they can, what I'm saying is it's been  
19 [unintelligible] [00:35:46].

20 MR. STEIN: But it's been doubled. What  
21 do you do, what do you do now when the debt  
22 service and your mortgage payment doubles and  
23 they can't handle it? And incidentally, when,  
24 when people talk about profits, most of the

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2 people that I know are landlords that have  
3 mortgages. Very, very few people do not have a  
4 mortgage on a multifamily, multimillion dollar  
5 building. Now, the larger landlords, because  
6 their economy is scaled, as what Charles said in  
7 the beginning, they can hang in there. But small  
8 landlords, ten, 15, 30 units, that's a real lack  
9 of economy of scale. That's a problem. And I'm  
10 just saying that this board should look into the  
11 potential issues that are facing us with the  
12 almost doubling of the debt service. And, and  
13 that's going to effect, you won't see much of a  
14 profit. I can tell you that. And some of the  
15 banks now are gearing up because they're  
16 concerned the cost of that increase in that debt  
17 service can they carry that mortgage. And that,  
18 that's a whole new world that we have to, we  
19 don't want to get into. So that's all I'm saying.

20 MR. RYCHLOWSKI: What we need to look at  
21 is that inflation is hitting tenants a lot  
22 harder. The NOI is [applause] [unintelligible]  
23 [00:36:58] while the tenants, the tenants again  
24 are getting hit a lot harder by inflation because

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2 they don't have as much money to begin with. It's  
3 like, like my wife and I thank god we have a  
4 little --

5 [CROSSTALK]

6 MR. RYCHLOWSKI: -- we have some money  
7 put aside towards retirement, but we lost, of  
8 what little we had, we lost a lot of money  
9 already this year. Okay. And we're not going to,  
10 we're going to not make that up the way it looks.  
11 And a lot of the tenants are not having any money  
12 put aside. They're lucky to pay their bills and  
13 [applause] [unintelligible] [00:37:36] food on  
14 the table. We'll continue this on Thursday. I'm  
15 not finished, but okay.

16 MR. STEIN: I understand.

17 MR. MILLER: Cathryn Harris please.

18 MS. HARRIS-MARCHESI: I'm going to just  
19 make one brief comment, which I think is  
20 something with the scales here, I can talk about  
21 it myself, as I am a tenant. My landlord does not  
22 pay my gas. He does not pay my electricity. He  
23 does not pay my water. However, we have these  
24 other buildings where he definitely does. When

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2 inflation hits this year, and I have to pay my  
3 gas, I have to pay my water, and I have to pay my  
4 electricity, those are not write-offs for me. In  
5 his three buildings that he owns, he gets to  
6 write those off as part of his [unintelligible]  
7 [00:38:14] [applause]. That's [unintelligible]  
8 [00:38:17].

9 And the reason rent regulated apartments  
10 are important, I can tell you my apartment is not  
11 rent regulated, in the middle of COVID, in  
12 September of 2020, my landlord raised my rent by  
13 six percent when there was a freeze on most  
14 rents. And he also bought his second ski chalet  
15 in Tahoe at the same time. I don't know how many  
16 properties [unintelligible] [00:38:46]  
17 considering that people were in such dire straits  
18 and his, his reaction was well, I'm going to  
19 raise your rent by six percent, and that was  
20 everybody in our building. So there is a reason  
21 we have rent control and it's not because  
22 [unintelligible] [00:39:02] rent regulated  
23 apartments, I was in San Francisco for a minute,  
24 it is because they're having issues with rent

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2 gouging and that, that hasn't, that hasn't  
3 stopped [applause].

4 MR. MILLER: Michael Schnier?

5 MR. MICHAEL SCHNEIR: I'm going to pass  
6 these documents to the board, one of which you  
7 probably have and one which you may not.  
8 [unintelligible] [00:39:34]. My name is Michael  
9 Schneir. I live at 25 Franklin Boulevard in Long  
10 Beach, I am president of Long Beach Tenants  
11 Association and I have been attending meetings in  
12 Nassau County Rent Guidelines Board since the  
13 '90s, since the late 1990s.

14 It is important to note that I have  
15 previous testimonies that the number of rent  
16 stabilized units in Nassau County over the years  
17 have been greatly reduced by a number of factors.  
18 According to statistics that I've collected from  
19 HCR, in 2001, there were 11,948 ETPA units in  
20 Nassau County. In 2017, that number is reduced to  
21 7,953 and according to a report that I just gave  
22 you, as of 2021, that number is down to 7,478.

23 That calculates to almost a 40 percent  
24 reduction in the housing stock of rent stabilized

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2           units over a 20 year period. There's been no

3           effort to increase this number and the 2019 rent

4           laws did nothing to reregulate the many

5           apartments that were deregulated, nor is anyone

6           building new affordable units. Just to use my own

7           building, 25 Franklin Boulevard in Long Beach as

8           an example, as recently as 2001, all 126

9           apartments were under the ETPA regulation.

10          According to HCR statistics from 2020, that

11          number now stands at 37. The remaining units are

12          free market units, which the landlord is free to

13          charge whatever the market will bear. For many

14          years now, it's almost impossible to rent a

15          stabilized apartment in my building. I know many

16          families living here for ten or 15 years in free

17          market apartments that are all going to

18          [unintelligible] [00:41:35] with annual increases

19          of \$100 per month or more and these tenants have

20          no protection against this.

21                         Meanwhile, a large number of the

22          remaining regulated apartments have legal

23          regulated rents which exceed what are considered

24          to be current fair market rates. Many of these

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2 tenants are offered preferential rents, which are  
3 lower than the legally regulated rents. Upon  
4 examining the HCR's 2021 Office of Rent  
5 Administration's annual report, which I just gave  
6 a copy of that to you all, it should be noted  
7 that out of a total of 886,278 requisite rent  
8 stabilized units statewide, 292,571 are  
9 classified as having preferential rents. That's  
10 nearly one out of every three rent stabilized  
11 units in New York State. Those figures are for  
12 2020, which is the last year in this report.  
13 Unfortunately, HCR [unintelligible] [00:42:41]  
14 break down the total number of rent stabilized  
15 units by county, they do not break down the  
16 number of preferential rents by county.

17 And what are fair market rents?

18 According to the website for HUD, for a studio in  
19 Nassau/Suffolk, it's \$1,372 a month; for a one-  
20 bedroom apartment, it's \$1,700 and for a two-  
21 bedroom apartment, it's \$2,065. All free market  
22 apartments and most of the remaining ETPA  
23 apartments in my building already have monthly  
24 rents that exceed these numbers. It doesn't seem



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2 fair to grant the landlords additional guideline  
3 increases on top of these rents. In fact, if you  
4 look at, I highlighted these numbers,  
5 [unintelligible] [00:43:33] statewide shows the  
6 median legal rent for a rent stabilized units  
7 with a vacancy lease is \$2,303 and  
8 [unintelligible] [00:43:44] rent for rent  
9 stabilized units with a vacancy lease is \$3,066  
10 and these are regulated numbers.

11 I will now direct your attention to the  
12 Nassau County vacancy tables, which you all have  
13 copies of. I just provided you a copy with some  
14 highlighted numbers. According to the previous  
15 rent by current rent with lease currents of one  
16 year for vacancy units for 2019 to 2021, the  
17 median previous rent increasing 2131 to 2133 and  
18 according to mean rate, increased from 2117 to  
19 2139. It should also be noted that out of 144  
20 total vacancies, 80 had stabilized rents between  
21 2,000 and 3,500 and up. It seems to me that these  
22 numbers meet or exceed [unintelligible]  
23 [00:44:38].

24 An examination of the incoming expense

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2 reports all covering the past three years, seem  
3 to show the profit margin for landlords remains  
4 consistent and healthy, no doubt in part, at  
5 least for [unintelligible] [00:44:54] factors  
6 already previously mentioned.

7 I know some tenants in my building are  
8 earning from Social Security because many of them  
9 have volunteered this information to me. I'm  
10 continually amazed how some of these seniors on  
11 fixed incomes manage to buy things, pay \$1,700 a  
12 month or more while receiving a check from Social  
13 Security for \$1,400 a month. In conclusion, it  
14 should be noted that any number higher than a  
15 zero percent increase would only serve to hurt  
16 tenants that can least afford it, especially at  
17 the current time with so many tenants struggling  
18 to keep up with their rent due to inflation and  
19 COVID related issues. The evidence shows the  
20 majority of ETPA apartments have rents that are  
21 at or above fair market rates. The current income  
22 and expenses report shows that landlords continue  
23 to profit from all their buildings and does not  
24 support the [unintelligible] [00:45:45] guideline

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2 increases that no doubt they're lobbying for.

3 MR. MILLER: Thank you. Steve Padyk.

4 MR. STEVE PADYK: I just, I just want to  
5 take an opportunity before [unintelligible]  
6 [00:46:30] being given out to recap where we're  
7 at. Back in May, inflation hit 8.6 percent in the  
8 area. Are you [unintelligible] [00:46:47]  
9 Mortgage?

10 UNIDENTIFIED FEMALE: Yes, I am.

11 MR. PADYK: Okay. The city of Long Beach  
12 is putting through a five percent real estate tax  
13 increase.

14 UNIDENTIFIED FEMALE: Right.

15 MR. PADYK: Okay. That's okay. You can  
16 do what you want, but we can't get what we want.  
17 Okay. That's fine. Okay. I recently renewed my  
18 property general liability and umbrella premium  
19 policy with an increase of 24.7 percent rate  
20 increase. The increase was solely the general  
21 liability and the umbrella. I have no claims. But  
22 given what insurance companies are pulling out of  
23 the city of New York because of the lawlessness  
24 that is going on and it's making it extremely

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2 difficult to find insurance at a quality premium  
3 rate.

4 Lastly, in those [unintelligible]  
5 [00:47:43] I just gave you, I am a small  
6 landlord, you can see 12 units, 23 units. And  
7 what this schedule tells you is that in May, my  
8 rental, my rentals are either one or two bedroom  
9 units, compared to what HUD says the minimum rent  
10 should be. So for a 12-unit building in Freeport,  
11 I am 17 percent below the HUD rate. These are all  
12 100 percent rent stabilized. The other building  
13 in Rockville Centre, I am four percent HUD said  
14 the rent should be. In Freeport, I am 24 percent  
15 below HUD's rates. In the other Freeport  
16 building, I am 14 percent. So I am the small  
17 landlord who is getting hammered by zero percent  
18 rent increases.

19 Now, coincidentally, HUD, from 2021 to  
20 2022, put a rate increase of 2.2 percent of the  
21 studios, 2.2 percent for one-bedrooms and 1.5  
22 percent increase for two-bedrooms. This board  
23 granted a one percent increase. In 2020 to 2021,  
24 HUD put through a 3.5 percent rent increase for

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2 studios, a 2.2 percent rent increase for a one-  
3 bedroom and a 2.2 percent increase for a two-  
4 bedroom. This board granted a zero percent rent  
5 increase.

6 Now, lastly, we all have these forms,  
7 okay. This form states at the top, based on 95  
8 schedule buildings of 3,829 units of which 2,053  
9 units are rent stabilized. So that means in this  
10 number, 1,076 units, which is 28 percent of free  
11 market rents is included in the [unintelligible]  
12 [00:49:43] working it for rent stabilization,  
13 solely rent stabilization, not to include free  
14 market rents and income. So these numbers are  
15 apples to oranges. They are not indicative of  
16 what the true rent stabilization, which this  
17 schedule proves it is, it's happening in the rent  
18 stabilization field.

19 So based on that, something has got to  
20 change. Okay. Something has to change. Oil is  
21 through the roof, gas is through the roof, it's  
22 heating the buildings, maintenance is through the  
23 roof. You can't even buy anything because there's  
24 nothing -- because of the, of the situation,

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2 where nothing is [unintelligible] [00:50:26]. So  
3 this board has to act prudently and grant sizable  
4 rent increases so that we can stabilize the  
5 situation. And I can somehow get up to HUD's  
6 minimal rental rates. Thank you.

7 MR. MILLER: Thank you, Mr. Padyk.  
8 Richard Rush.

9 MR. RICHARD RUSH: Good evening,  
10 Chairman Miller and members of the board. To pick  
11 up a point that Mr. Padyk just made, I have a  
12 question for the staff from DHCR. Are there non-  
13 stabilized apartment buildings included in these  
14 reports?

15 UNIDENTIFIED MALE: Well, any building  
16 that's tabulated has to contain [unintelligible]  
17 [00:51:24] ETPA [unintelligible] [00:51:25].

18 MR. RUSH: So if there's a building  
19 that's not subject to ETPA, it's not in these  
20 reports.

21 UNIDENTIFIED MALE: [unintelligible]  
22 [00:51:32]

23 MR. RUSH: One hundred built after 1973

24 --

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2 UNIDENTIFIED MALE: No.

3 MR. RUSH: -- never subject, okay.

4 UNIDENTIFIED MALE: No, not part of it.

5 MR. RUSH: I would presume that's  
6 because it's really not applicable since the  
7 point of this survey is for the board to use  
8 information to implement guidelines for rent  
9 stabilized apartments. But there are market  
10 apartments in rent stabilized buildings where  
11 their rental income is included in this report,  
12 correct? So to follow up on a point that Mr.  
13 Padyk made, there's really apples being mixed  
14 with oranges as far as the income goes. I, I  
15 imagine it would be pretty tough to separate them  
16 out and that might be why DHCR doesn't do it.

17 MR. LANGIULLI: We'd probably lose half  
18 the sample if we just tabulated rent stabilized  
19 100 percent only buildings.

20 MR. RUSH: Thank you for the  
21 clarification. So I just really want to drive  
22 home the point that when you look at the  
23 [unintelligible] [00:52:34] number and you see  
24 that there's a 2.6 percent increase, that also

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2 includes market rate apartments in rent  
3 stabilized buildings. I think you should look at  
4 that and somehow make some kind of an adjustment  
5 to lower that because that's really not  
6 applicable to implementing guidelines that are  
7 only subject to rent stable -- for apartments  
8 that are subject to rent stabilization.

9 The DHCR survey shows that expenses  
10 increased, I think it's 2.6 percent. You know how  
11 high from news reports that the inflation rates  
12 the past several months were in the eight percent  
13 range. The survey results were surprising in  
14 light of the rampant historic inflation the  
15 country is experiencing in the economy. We're all  
16 aware of the dramatic spike in gas costs,  
17 insurance is up for a lot of buildings in either  
18 the single digit or low double digit range. Due  
19 to increasing costs, many service providers, such  
20 as plumbers, electricians and landscapers are  
21 raising their rates. This all ultimately lands at  
22 the feet of the landlords as they strive to  
23 maintain their properties.

24 Accordingly, it's important that the



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2 board demonstrate more evenhandedness than it has  
3 in the past few years in its difficult task of  
4 balancing the needs of tenants and landlords.  
5 This year, there must be a raise.

6 It's also critical that the  
7 determination on two-year lease renewal  
8 guidelines be given close considerations. Many  
9 tenants choose to take two year renewal terms  
10 because of the huge benefit of locking in one  
11 rent for the next two years. As landlords face  
12 historically high inflation such as that rates of  
13 eight percent each of the next few years, the  
14 board must institute a guideline that takes this  
15 into account. To only get a measly two percent  
16 once that has to last two years, but inflation is  
17 going up around eight percent per year, including  
18 the compounding effect just won't do. It should  
19 be at least eight percent, because that has to  
20 carry for the next two years.

21 I always want to make sure -- I also  
22 want to ask the board to make sure if authorized  
23 as guidelines, it puts into effect to apply to  
24 vacancy leases. This is something called for

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2 under the new rent laws of 2019. Without this, a  
3 landlord is not allowed to charge any increase  
4 for a vacant apartment.

5 I'd also like to address a couple of  
6 points made by previous speakers. I am a  
7 landlord. So I report the figures. LRAP and ERAP  
8 funds, I wish, I did see some at some of my  
9 buildings, is basically just rent. Instead of the  
10 tenant paying it, the government is paying it. We  
11 include it as rent. To not do so would be  
12 dishonest. So, what Mr. McKee was suggesting is  
13 being done by some landlords, that's  
14 inappropriate. So I just wanted to clarify that  
15 for the board.

16 Secondly, I am a third generation owner.  
17 And when my grandfather and father built the  
18 buildings that we still operate in Rockville  
19 Centre and Lynbrook, it was in the late 1960s or  
20 early 1970, before 1973 when the EPA law went  
21 into effect. They had no idea that this  
22 suppressive law and regulatory scheme would be  
23 foisted on them. So to suggest that all landlords  
24 knew about the rent stabilization scheme that

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2 applied to rent stabilized buildings before they  
3 purchased them is just not accurate and it's just  
4 not true. Thank you very much for the opportunity  
5 to address the board, and good evening.

6 MR. MILLER: Thank you, Mr. Rush.

7 MR. RYCHLOWSKI: Yeah, I had a question,  
8 you said your family's owned the property for  
9 about 50 years now?

10 MR. RUSH: Yes.

11 MR. RYCHLOWSKI: Do you have any  
12 interest that you have to pay on, on the debt  
13 service, after owning it for 50 years?

14 MR. RUSH: On mortgages we have on the  
15 properties, yes. We pay --

16 MR. RYCHLOWSKI: So what's been paid off  
17 in the last 50 years?

18 MR. RUSH: Excuse me?

19 MR. RYCHLOWSKI: What's been paid off in  
20 the last 50 years? Or did you --

21 MR. RUSH: No, the mortgages have not  
22 been paid off.

23 MR. RYCHLOWSKI: Did you take another  
24 mortgage to, to refinance to buy another property

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2 or something?

3 MR. RUSH: No, we've never taken  
4 properties -- we've never taken money from a  
5 refinancing of a property to buy other  
6 properties. We've only refinanced the debt in  
7 place or borrowed some extra to make repairs or  
8 like if a new roof needed to be done on a  
9 building. So we're not involved in that, what you  
10 suggested, we borrow against certain properties  
11 and use the funds to buy other properties.

12 MR. RYCHLOWSKI: Mm-hmm. You were also  
13 talking about like the expense has gone up so  
14 much.

15 MR. RUSH: Yes.

16 MR. RYCHLOWSKI: Did you look at the  
17 income expense report based on the pages  
18 submitted by the landlords?

19 MR. RUSH: Yes. I [unintelligible]  
20 [00:58:06] that.

21 MR. RYCHLOWSKI: Showing that the  
22 expenses were less in the last year than they  
23 were two years ago.

24 MR. RUSH: I made a comment that I can't

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2 understand how that's the case when the last year  
3 was [unintelligible] [00:58:18] range. We also  
4 need to take into account that the inflation  
5 numbers we're looking at are going to impact  
6 landlords going forward the next year or two, so  
7 the board should take that into account so that  
8 we're entitled to some increases as expenses  
9 continue to go up in this time of inflation.

10 MR. RYCHLOWSKI: Well, last year we told  
11 that [unintelligible] [00:58:37] and we were  
12 projecting inflation, that inflation was  
13 [unintelligible] [00:58:39] and kind of real and  
14 we were going to have to address it, otherwise it  
15 would show up this year. So it's not showing up  
16 this year yet, right?

17 MR. RUSH: Well, there is some expenses  
18 did go up, they didn't go down.

19 MR. RYCHLOWSKI: Actually, they're lower  
20 now than they were two years ago.

21 MR. RUSH: The, the report shows that  
22 expenses were up I believe 2.6 percent.

23 MR. RYCHLOWSKI: Looking at two years  
24 ago, you'll see that it was actually less. In

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2 thousands, that's .5696 this year and two years  
3 ago .5857.

4 MR. RUSH: So you're saying that  
5 expenses went up less? But it went up in all  
6 those years.

7 MR. RYCHLOWSKI: No, but I'm saying this  
8 year the expenses show that it's less than it was  
9 expenses two years ago on the [unintelligible]  
10 [00:59:32] report.

11 MR. RUSH: Okay. The reports show what  
12 they show.

13 MR. RYCHLOWSKI: Thank you.

14 MR. RUSH: Thank you.

15 [CROSSTALK]

16 UNIDENTIFIED MALE: Your name?

17 MR. MELKONIAN: Martin Melkonian, I'm  
18 sorry, your family has owned this property for  
19 about 50 years. Is that correct?

20 MR. RUSH: Yes.

21 MR. MELKONIAN: What was the value of  
22 that property 50 years ago compared to what those  
23 properties are worth today?

24 MR. RUSH: I don't know what the values

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2 were. I was in grade school at the time.

3 MR. MELKONIAN: I can assure you they  
4 were a lot less than the current value of those  
5 properties. Okay. And inflation is a dual-edged  
6 sword. It does it for everyone. Actually some  
7 people benefit from inflation. Ask the oil  
8 companies. They're complaining about higher  
9 costs, but then their profits are soaring, so not  
10 everyone is hurt by inflation. Some people  
11 benefit, some people are hurt. And I suspect in  
12 many cases, when the value of what is asset  
13 dramatically increases over time, people can  
14 benefit from the rise of their real wealth in  
15 property and [unintelligible] [01:00:58].

16 MR. RUSH: I can see your point.  
17 [applause] I'm not going to stand up here and say  
18 the values have not come up in 50 years. It  
19 clearly has. But I would certainly love to ask  
20 the oil and gas companies that I have to by oil  
21 and heating gas from whose rates are up eight,  
22 nine percent from last year why they're  
23 [unintelligible] [01:01:15] to that level.

24 [CROSSTALK]

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2 MR. RUSH: Yeah, I know you've this  
3 discussion and there's ongoing debate for many  
4 years between you and Board Member Stein that you  
5 talk about the increase in value. That, that  
6 means nothing other than on the day you sell with  
7 what the value is at that given time. But during  
8 the time that you own, and my family has chosen  
9 to be owners and operators, not flippers of real  
10 estate, providing quality housing here in Nassau  
11 County for many residents. You need to live year  
12 by year with what your cash flow is to pay your  
13 expenses. So if the property value went up over  
14 50 years, just as many people's home do and have  
15 in Nassau County, that's not helping you pay your  
16 expenses year in and year out.

17 MR. MILLER: Quick, Barry.

18 MR. STEIN: I couldn't have said it  
19 better. I'm going to respond because Martin and I  
20 know each other. An increased value has  
21 absolutely nothing to do with paying one's bills  
22 [unintelligible] [01:02:20]. Martin knows what  
23 I'm going to say. I'm going to, I have a good  
24 friend at one of the [unintelligible] [01:02:25]



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2 at, at [unintelligible] [01:02:27] where Martin  
3 is a distinguished professor and I'm going to  
4 call that gentleman and say you know, Martin  
5 Melkonian's house went up in value. He doesn't  
6 need a raise. End of story. [applause]

7 [unintelligible] [01:02:44]

8 MR. RUSH: I'm sorry, what was that?

9 MR. STEIN: People [unintelligible]  
10 [01:02:50-01:03:01].

11 MR. RUSH: But those homeowners need to  
12 pay their annual expenses yearly and they are  
13 being hurt to pay the expenses to carry their  
14 homes just as property owners of multifamily  
15 buildings are. Thank you.

16 [CROSSTALK]

17 MULTIPLE: Oh the rent, oh the rent, oh  
18 the rent is too damned high. [audience chanting]

19 MR. MILLER: Any other comments?

20 Alright, ladies and gentlemen, we will meet on  
21 Thursday June 23rd for the deliberation and the  
22 vote at 1515 Franklin Avenue.

23 MR. FERRARA: Yes, James Ferrara. Does  
24 anybody have any questions for DHCR while they're

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2 here? Respectively do we want a representative  
3 back for the vote --

4 MR. MILLER: James, I can't hear you.

5 MR. FERRARA: Okay. The question is now,  
6 do we have any questions for the HCR staff one,  
7 and two do we need a representative on Thursday  
8 at our meeting.

9 MR. MILLER: Thank you.

10 MR. FERRARA: Do we need someone there  
11 on Thursday?

12 [CROSSTALK]

13 MR. MILLER: Do we need anyone from  
14 staff? No, yes? No? No.

15 [CROSSTALK]

16 MR. MILLER: Any questions for the staff  
17 at this point?

18 UNIDENTIFIED MALE: I forgot to say my  
19 name before, sorry.

20 MR. MILLER: Any other comments? Do we  
21 have a motion to adjourn?

22 [CROSSTALK]

23 MR. LANGIULLI: Can I make one comment?

24 MR. MILLER: Absolutely, Michael.

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2 MR. LANGUIULLI: Just it was raised  
3 earlier about PPP loans and questions being like  
4 that on the annual survey. It's not up to the  
5 research and analysis unit to insert any  
6 questions onto that survey without the board's  
7 permission. You guys, the other three, the other  
8 two counties would have to instruct us to make  
9 any additional questions onto a survey. We cannot  
10 do that, unilaterally make that change to the  
11 survey.

12 UNIDENTIFIED MALE: Yeah, I would think  
13 that's a good idea.

14 [CROSSTALK]

15 UNIDENTIFIED MALE: Well, it's obviously  
16 not going to happen this year.

17 MR. MILLER: Yeah, we can  
18 [unintelligible] [01:05:41] it for next year. I  
19 do have a motion to adjourn by Cathryn, seconded  
20 by Garrett, all in favor?

21 MULTIPLE: Aye.

22 MR. MILLER: I'll see you on Thursday.  
23 Thank you very much ladies and gentlemen.

24 (The public board meeting concluded at

1 June 21, 2022

2 8:50 p.m.)

CERTIFICATE OF ACCURACY

I, Ryan Manaloto, certify that the foregoing transcript of the board meeting of the Nassau County Rent Guidelines Board on June 21, 2022 was prepared using the required transcription equipment and is a true and accurate record of the proceedings.

Certified By



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Date: October 6, 2022

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