



Memo in Support of A5409 and S3703

A5409 Sponsor: Assemblyman Steven Cymbrowitz

S3703 Sponsor: Senator Brian Kavanagh

About The Bill

The Emergency Tenant Protection Act of 1974 (ETPA) provides for rent stabilization in several counties and municipalities in New York. In certain cases, non-profit organizations, including Win and other homeless service providers, have leased dwelling spaces in private apartment buildings to provide supportive housing as part of a federal and state funded program. This program has proven to be an effective independent living option aimed at preventing homelessness for those families considered most at-risk and vulnerable. However, the ETPA protections are discontinued when rent stabilized housing stock is leased by non-profit organizations to house their clients who are formerly homeless or at risk of becoming homeless. As the housing units leased by non-profits are not protected under rent stabilization laws, landlords can terminate leases at their discretion, and many housing units then become market rate, unprotected housing. A5409/S3703 addresses this problem by closing these loopholes, and will return dwelling spaces leased by non-profit organizations back to ETPA rent regulation protections once these leases are terminated. This bill will help to preserve the number of affordable housing and rent protected units that are available at the moment, and for years to come.

Background on Emergency Tenant Protection Act and Impact on Non-Profits

The provision and preservation of affordable housing options for our city's most vulnerable tenants is of vital importance. Approximately 331,000 apartments affordable to low-income renters were lost from 2002 to 2014.¹ Over the last 24 years, the net loss to New York City's rent regulated stock alone is estimated at over 147,512 apartments, with a net loss of nearly 3,000 units in 2015 alone.² Currently, landlords are able to charge non-profit organizations higher rents for regulated apartments than they can charge individual tenants, increasing the price of housing units when they are returned to the market. Landlords are also not required to offer non-profit organizations lease renewals, causing unnecessary dislocation and risk of homelessness for New Yorkers working towards achieving stability through living in "scatter site" housing. When landlords terminate their leases with non-profits organizations and vice versa,

¹ NYU Furman Center. (June 2015) Research Brief: The Challenge of Rising Rents: Exploring Whether a New Tax Benefit Could Help Keep Unsubsidized Rental Units Affordable

² New York City Rent Guidelines Board. (May 2018) Changes to the Rent Stabilized Housing Stock in New York City in 2017. Available: <https://www1.nyc.gov/assets/rentguidelinesboard/pdf/changes18.pdf>



these housing units are converted into market rate housing and are deregulated from the tenant protections that come with rent control and stabilization. There are currently over 12,155 “scatter site” units housing homeless and formerly homeless families in apartment buildings in New York, many in neighborhoods where families cannot afford an increase in rent.³ The ETPA’s exclusion of non-profit leased dwellings from its protections ultimately harms the same struggling people that it was conceived to protect, and could result in the loss of thousands of more rent controlled and stabilized housing units in the decades to come.

About Win

Win was founded in 1983 as a shelter for women and their children, and has risen to become New York City’s largest provider of shelter and services for homeless families with children. Win serves more than 10,000 people each year, including more than 6,000 children and youth, across its family shelters and supportive housing. Fifty one percent of people living in Win shelters are employed, and 86 percent of Win mothers raising families have a high school diploma or lower accreditation. Win supports families who on average earn significantly less than the threshold of low income, defined as earning 30 percent or less than \$24,500, the area median income for a family of three in New York City.⁴ Win provides safe housing, programs, and services for individuals who are consistently left out of society. Their programs allow participants to break the cycle of poverty and succeed independently. Christine Quinn became the CEO of Win in November of 2015. She previously served as the Speaker of the City Council from 2006 to 2013.

³ The Supportive Housing Network of NY (December 2015) *New York City Scattered Site Housing: Policy Brief*. Available: https://shnny.org/uploads/Network_Scattered_Site_Position_Paper_FINAL.pdf

⁴ Women In Need, Inc., *Forgotten Face of Homelessness Report*, October 2016