

STUYVESANT TOWN–PETER COOPER VILLAGE TENANTS ASSOCIATION

Joint New York State Legislative Budget Hearing
Housing Committee
February 2, 2021

Testimony of Anne Greenberg, Vice President, Stuyvesant Town–Peter Cooper Village Tenants Association

I appreciate the opportunity to submit this testimony on behalf of the residents of the 11,240 rent-stabilized units in Stuyvesant Town and Peter Cooper Village in Manhattan. We partnered with legislators to get HSTPA 2019 passed, and the law contains many benefits for tenants. Unfortunately, despite being at the mercy of a succession of mammoth corporate landlords, our 25,000 neighbors have not been able to count on state agency HCR to defend us.

HCR needs not just the will to do what’s right for tenants, it needs the funding. If Major Capital Improvements—the source of substantial rent increases—are to be properly investigated and evaluated, HCR must have the right staff in the right numbers with the right skills.

HCR must attend to tenants’ interests by getting good data on reasonable costs. On September 9, 2020, I and Tenants Association president Susan Steinberg testified about HCR’s new Reasonable Cost Schedule for Major Capital Improvements. We were supported by our representatives Senator Brad Hoylman and Assembly Member Harvey Epstein, both of whom enlisted legislative colleagues and both of whom also testified, as did our City Council member, Keith Powers, and Housing Chair Brian Kavanaugh. We also submitted a letter to Commissioner RuthAnne Visnaukas, signed by hundreds of our neighbors. The respected expert the Tenants Association hired to evaluate the costs compiled for HCR by a New Jersey company—has HCR made that report public yet?—clearly and flatly stated in his in-person and written testimony and lengthy report that the costs were inflated. A landlord representative was also dissatisfied. Translation: **inflated costs lead to punitive rent costs and increases.** Per HSTPA, MCIs are now “temporary,” but thirty years is forever for most tenants, and on vacancy, owners can tack on to the base rent any unamortized amount. This requires a legislative fix, but HCR must do a serious job of reviewing MCIs. They dismissed every reasonable and logical objection to the RCS, thus perpetuating a system where owners prey on tenants. The Tenants Association has challenged every MCI but one over many years—they have easily sailed through HCR’s review process despite our valid objections.

But that culture can change.

• **HCR must maintain a staff of highly trained rent administrators to investigate every aspect of the MCI work, beginning at the local agency permit level.** The practice of owners submitting costs that go unscrutinized has to end—HCR must not be complicit in defrauding tenants. Tenants should not be shouldering the burden of proving that owners have overstated costs or had inside dealings with contractors, for example. **THIS IS PARTICULARLY CRUCIAL SINCE HCR HAS PUT IN PLACE AN EXTRAORDINARILY BROAD WAIVER**—as currently written, it allows almost anything to qualify for an MCI.

- **The agency needs a sufficient number of qualified inspectors to review annually 25% of approved MCIs**, as mandated by HSTPA. Does the agency have the staff to do it thoroughly and accurately and in a timely manner? But why stop at 25%? Better to budget to allow for full investigation of any application that contains any degree of questionable actions or declarations. The state budget should fund the agency so it can and will act on behalf of tenants and not simply rubber-stamp what owners present.

- **HCR should have forensic accountants** with subpoena power to conduct audits. If material false statements or fraud is discovered anywhere in the entire process from the plans, permits, and then on to the application, the MCI should be revoked with the regulatory version of Advisory Opinion 89-2 rigorously applied with updated monetary penalties.

- **HCR must have the capacity to enforce the law:** it must make sure that owners register rent-regulated units and keep them registered. Affordable units should not be allowed to just evaporate in the system.

But even when HCR is adequately funded, it will still be necessary to make sure the agency fulfills its mission to protect affordable housing and enforce the rent regulation laws, and not worry about owners' profits.

So where is the money to come from? You already know—the millionaires and billionaires and wealthy corporations in our state. Legislation has been proposed, such as the pied à terre tax. Action is necessary and urgent to keep New Yorkers in the homes they have and provide safe and healthy shelter for those that need it.

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