

Landmark Deal Reached on Rent Protections for Tenants in N.Y.

Newly empowered Democrats are trying to address concern over housing costs that is helping to drive the debate over inequality.



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Newly empowered Democratic leaders in Albany announced a landmark agreement on Tuesday to strengthen New York’s rent laws and tenant protections, seeking to address concern about housing costs that is helping drive the debate over inequality across the nation.

The changes would abolish rules that let building owners deregulate apartments, close a series of loopholes that permit them to raise rents and allow some tenant protections to expand statewide.

The deal was a significant blow to the real estate industry, which contended that the measures would lead to the deterioration of the condition of New York City’s housing. The industry had long been one of the most powerful lobbies in Albany, but it suffered a loss of influence after its Republican allies surrendered control of the State Senate in the November elections.

“These reforms give New Yorkers the strongest tenant protections in history,” the Senate majority leader, Andrea Stewart-Cousins, and the Assembly speaker, Carl E. Heastie, said in a joint statement. “For too long, power has been tilted in favor of landlords and these measures finally restore equity and extend protections to tenants across the state.”

Both chambers are expected to vote on the legislative package this week.

The current rent regulations expire on Saturday. The new and strengthened rules would mark a turning point for the 2.4 million people who live in nearly one million rent-regulated apartments in New York City after a decades-long erosion of protections and the loss of tens

of thousands of regulated apartments.

The legislation in Albany is far-reaching: While rent regulations are currently restricted largely to New York City and a few other localities, the new package would allow cities and towns statewide to fashion their own regulations, which are meant to keep apartments affordable by limiting rent increases.

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It would also make the changes permanent — a major victory for tenant activists who have had to lobby Albany every few years when the old laws expired.

Gov. Andrew M. Cuomo, a Democrat, said he would sign whatever package of rent bills the Legislature passed.

The imminent changes come as New York and other major cities are grappling with a shortage of affordable housing, prompting even Democratic presidential hopefuls to increasingly court renters as a new voting bloc.

New York has seen record numbers in homelessness statewide and skyrocketing rents that have acutely burdened low-income and older residents. “The Senate and the Assembly are taking a massive step in the right direction,” said Cea Weaver, the campaign coordinator of Housing Justice for All, a statewide coalition of tenants.

“We have a long way to go to reach a point where every tenant in New York is protected, but this is a big step forward to correct decades of injustice between tenants and landlords,” she added.

Real estate trade groups called the proposed legislation an existential threat to building owners. In hearings and through expensive ad campaigns, the groups warned that the changes could put small landlords out of business because they would be unable to increase rents to deal with escalating costs.

“This legislation fails to address the city’s housing crisis and will lead to disinvestment in the city’s private sector rental stock consigning hundreds of thousands of rent-regulated tenants to living in buildings that are likely to fall into disrepair,” Taxpayers for an Affordable New York, a coalition of four real estate groups, including the powerful Real Estate Board of New York, said in a statement.

“This legislation will not create a single new affordable housing unit, improve the vacancy rate or improve enforcement against the few dishonest landlords who tend to dominate the headlines,” the statement added. “It is now up to the governor to reject this deal in favor of responsible rent reform that protects tenants, property owners, building contractors and our communities.”

The agreement on Tuesday underscored the rising power of the progressive wing in Albany. Many of the lawmakers who fueled the Democratic takeover of the Senate last year pledged to decline contributions from real estate interests and ran on promises to take on the industry by passing legislation supported by tenant groups.

Landlords and developers, accustomed to ready access to Albany insiders, were shut out of meetings and vilified at rallies.

“None of these historic new tenant protections would be possible without the fact that New York finally has a united Democratic Legislature,” the legislative leaders said in their statement.

As Saturday’s deadline loomed, tempers and tensions had risen. Last week, hundreds of activists flooded the State Capitol, staging a rowdy demonstration and leading to dozens of arrests.

Anxiety over the deadline, and fighting among some Democrats, seemed to heighten the intensity surrounding the rent negotiations. On Tuesday, lawmakers and staff members huddled into the evening as they hashed out the final details on the legislation.

Left uncertain was the involvement of Mr. Cuomo, an outsize figure in any negotiations in the capital, who won a third term in November.

Tenant activists had urged the Democratic majorities in the Senate and the Assembly to shut out Mr. Cuomo, who has received millions of dollars in real estate campaign contributions. Though legislative leaders did not explicitly agree, Tuesday’s package was the product of two-way negotiations, according to a person familiar with the talks.

Mr. Cuomo, at a news conference before the deal was announced, had dismissed the idea that he needed to be involved.

“There is no negotiation. I will sign the best bill they can pass,” he said.

He did not immediately comment after the Legislature’s deal.

Encouraged by the Democratic takeover, a statewide coalition of tenants had been pressuring lawmakers for months to pass nine bills collectively known as “universal rent control.”

The deal reached on Tuesday included several of those proposals or modified versions of them.

Lawmakers agreed to abolish so-called vacancy decontrol, a provision that allows landlords to lift apartments out of regulation when their rents pass a certain threshold. The rule has led to the deregulation of more than 155,000 units since it was enacted in the 1990s.

They also agreed to repeal the so-called vacancy bonus, which allows landlords to raise rents by up to 20 percent whenever a tenant moves out of a rent-stabilized apartment.

And they pledged to rein in provisions that allow landlords to raise the rents of rent-regulated apartments when they renovate units or fix up buildings — perhaps the most hotly debated proposal of the package.

Housing advocates have long argued that building owners routinely abuse those provisions, inflating construction costs to jack up rents and push out tenants.

But Mr. Cuomo and Mayor Bill de Blasio of New York City said they supported revising the provisions, not repealing them, because they provide incentives for landlords to keep buildings in livable conditions. The real estate industry has argued the same.

To combat abuse, the state would be required to inspect and audit a portion of buildingwide improvements.

Additional changes would make permanent discounts on rents known as “preferential rents,” preventing landlords from sharply increasing those rents when a regulated tenant renews a lease.

Only one component of the tenant activists’ platform was notably absent: a “good cause” eviction bill that would have made it considerably harder for landlords to evict tenants in most market-rate apartments statewide.

But the Legislature did agree to limit security deposits on apartments statewide to one month’s rent and to provide tenants in eviction proceedings with more time to hire a lawyer, address lease violations and pay overdue rent.

The legislation would also make it a punishable misdemeanor for landlords to evict tenants by illegally locking them out or through force.

While tenant groups did not win total victory, they applauded the overall legislative package.

“I think this is a huge win for the tenant movement that will impact the lives of millions of renters in a way that beats back the real estate industry,” said Jonathan Westin, the executive director of New York Communities for Change, an advocacy group. “But we also

feel we have a long way to go.”

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