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Testimony of City Council Member Dan Garodnick  
Rent Guidelines Board  
Monday, June 16, 2008

My name is Dan Garodnick and I represent City Council District Four, which includes Stuyvesant Town, Peter Cooper Village, Waterside Plaza, Tudor City, Turtle Bay, and much of Manhattan's Upper East Side. Thank you for the opportunity to testify today.

Tenants should expect a balanced process from this Board when any rent adjustment is being considered. Unfortunately, these proceedings have become a predictable demonstration that does not take into consideration the many complexities affecting rent regulated units in New York City.

Renters in this city are struggling. In 2004, 43 percent of renters citywide paid 50 percent or more of their income in rent. In fact, renters are experiencing cost of living increases across the board – not only for gas, but also for food, transportation and household products. At the same time, landlords net operating incomes have increased by 8.8 percent from 2005 to 2006.

In May, the Consumer Price Index, which measures the price of household products, rose .6 percent, the sharpest increase since last November.<sup>1</sup> Also last month, food prices alone rose .9 percent with Americans paying 5 percent more for food and beverages than a year ago.<sup>2</sup>

New York is not exempt from those trends, and yet we continue to lose our rent regulated apartments at an alarming rate. Between 1994 and 2007, over 71,000 rent stabilized units have been lost due to vacancy decontrol alone. In Stuyvesant Town and Peter Cooper Village ("Stuyvesant Town"), 740 rent stabilized units have been lost in the past 18 months.<sup>3</sup> Following this pattern, most of the units in Stuyvesant Town will be market rate in 2011 or earlier. Tenants who lose rent stabilized apartments will move further and further out of the City's core, adding to costs, inconvenience, environmental harm – and business activity will surely move with them.

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<sup>1</sup> Michael M. Grynbaum, *Oil and Food Push Consumer Prices Higher in May*, THE NEW YORK TIMES, June 14 2007.

<sup>2</sup> *Id.*

<sup>3</sup> Manny Fernandez and Charles V. Bagli, *Tenants Roiled by Challenges on Residency*, THE NEW YORK TIMES, May 27 2008.

This year, the Rent Guidelines Board has recommended setting increases for one year leases between 3.5 and 7 percent and for two year leases between 5.5 and 9.5 percent. I ask that you take into serious consideration the millions of New Yorkers that will be facing higher food, transportation, and all-around costs this year. I will not belabor the point here, but I pledge to work with my colleagues in Albany to reform a process that has become all too predictable.