

Mid-July 2011 News & Updates

The last few months have been incredibly busy for Mt. Vernon United Tenants. In addition to our ongoing work preventing evictions, organizing tenant associations and educating tenants about their rights, we've just seen the end of a two (2) year campaign to renew and strengthen the state's rent laws and simultaneously we concluded the annual Westchester Rent Guidelines Board (WRGB) process.

Real Rent Reform (R3) Campaign:

This campaign has dominated our program work for the past six (6) to nine (9) months. We've been organizing throughout Westchester - hosting workshops, sponsoring repeated and regular bus and van trips to Albany, facilitating letter-writing, meeting with state legislators locally, getting various government bodies throughout Westchester to pass resolutions in support of the campaign's goals, writing letters to The Editor, and much more. What was the result? We Won! the laws were renewed - for four (4) years, and they were improved, but only minimally. (We're enclosing a brief outline of the results).

Many in the tenant movement were very, very disappointed in the result. After all of the good, quality education and coalition-building that the R3 Coalition engaged in during the campaign, the hopes were that we'd see major improvements in the laws. Clearly, we could not compete with the real estate community in money to influence the legislative process. However we had nearly fifty (50) major tenant, housing and other social justice organizations that are very effective and competent in their work, working day and night to reach our goals. (MVUT was the only non-NYC organization on the "Steering Committee"). Regardless, and despite our disappointment, the tenant movement has taken solace in the fact that this is the first time in twenty (20) years that we've seen improvement. The last three (3) renewal cycles - 2003, 1997 and 1993 all saw major weakening amendments to the rent laws. The fact that this year saw no weakening of the laws and some improvements has got to inspire us to work harder in the future - and MVUT is already doing so. We're meeting with the R3 Coalition to review what went well and where we can build a stronger movement and just this past week we met with Assembly Housing Chair Vito Lopez, and Assemblyman Hakeem Jeffries of Brooklyn who was the key legislative leader in the R3 Campaign to begin working to promulgate regulations for the *Rent Act of 2011*.

This whole campaign was very costly for MVUT - both in staff time and cash outlays. While we did not win everything we wanted, we did get the laws renewed and regulated tenants in Mount Vernon and Westchester can know that they are still protected. Many tenants financially supported the campaign but far more did not. We hope that everyone supports MVUT now and makes a contribution to help us retire the debt we've incurred during the campaign and start planning for upcoming efforts. We're enclosing an envelope for your convenience.

Westchester Rent Guidelines Board (WRGB)

You'll remember that MVUT led the way last year when the WRGB passed 0% guidelines for both one (1) and two (2) year renewal for leases commencing between October 1, 2010 - September 30, 2011 ! The odds of repeating that were indeed small. However, the data the WRGB were provided clearly supported it. As MVUT has focused for years, the key for landlords ever-expanding profits has been vacancy increases. There are two (2) separate means whereby landlords get generous increases in rent regulated rents:

1)

State Statutory Bonus: In 1997, as part of the rent renewal battle, the real estate community was able to include in the law a 20% vacancy bonus (with even higher amounts allowed if the apartment had not changed hands for a number of years).

2)

Individual Apartment Improvements (IAI): Landlords can raise the rent, 1/40 of the amount of any improvement made while the apartment is vacant. You can do the math. If the landlord 'invested' \$ 10,000 in a vacant apartment e.g. new kitchen, new bathroom, the landlord could legally permanently raise the rent \$250.00/month, if \$ 20,000 was invested - a permanent rent increase of \$500/month! As if this is not bad enough, the enforcement capabilities of the state housing agency have continually eroded to the point where many landlords can and have actually raised the rents under IAI without actually doing the work!

At this year's Public Meeting to deliberate on the guidelines (after the three (3) Public Hearings), tenant representative Genevieve Roche was making a compelling and convincing presentation for the Board's sake and she was literally shouted off the stage. The landlords engaged in a coordinated and concerted yelling and bullying tactic which resulted in a police official being summoned by a landlord and ultimately Ms. Roche's testimony being cut off! The main culprit behind this? Board Chairperson and supposedly 'Public Member' Joseph Whelan (see copy of July 7, 2011 Journal News "Letter To The Editor" by MVUT member Dorianne Roe enclosed).

Well, after a break, where WRGB landlord members and three (3) Public Members caucused, a quick motion by Public Member Jane Morgenstern (for guidelines of 2 1/2% for one (1) year renewals and 4% for two (2) year renewals - with a \$ 25 minimum for one (1) year and \$ 40 for two (2) years) was seconded and passed by a 5 -2 vote with the two Tenant Representatives voting against it (see copy of enclosed 6/22 *Journal News* article on reverse side of Ms. Roe's letter). Tenants in the audience were outraged. Ms. Roche had commanding and overwhelming facts on her side and the landlords realized that. Instead of engaging in a fair debate/discussion, they resorted to the tactics that spoiled people do - they bullied. You'll recall last year, when the landlords were upset about the 0% and 0% guidelines. What did the landlords do? They (both of the two (2) WRGB Landlord Reps and all of the landlords in the audience) stormed out and at the next Public Meeting to certify the guidelines, the two (2) landlord reps boycotted the meeting.

Even though the guidelines 2 1/2% and 4% were much higher than the numbers justified, they were much, much lower than what the landlords were asking for - 5% for one (1) year and 9% for two (2) year renewals. And they were noticeably lower than the New York City guidelines 3 3/4% and 7 1/4%.

So while in both of those major campaigns - the R3 and the WRGB - we did not get everything we wanted, we still did really well when you put it all in context. A job well done to all of the tenants who participated in one (1) or both of those campaigns. THANKS!

Homelessness Prevention Program

	<u>Evictions Prevented</u>	<u>Families/Individuals Rehoused</u>
April	14	5
May	10	0
June	17	3

Economic Inequality

MVUT will be working on this issue in a variety of ways over the next year. We co-sponsored a very successful "Town Hall Meeting"- *Future Directions For America* in White Plains on June 29, a few of us went down to Hostos Community College in the Bronx the next evening as part of a nation-wide "Speak Out For Good Jobs Now - Rebuild The American Dream", and we brought people up to the Mt. Kisco library the following week on July 7 for a meeting specifically on Medicaid and Medicare in U. S. Representatives Nan Hayworth's District. Congresswoman Hayworth will likewise be the target of a press conference and rally on July 21 (see flyer enclosed). This is part of a larger Statewide Caravan To Restore The American Promise (see reverse side of above flyer) MVUT will be bringing members and friends up to Nan Hayworth's office and later in the day to a celebration at the FDR Presidential Library. Want to go? Call the office. Can't go but want to help? Make a donation to pay for the van and gas. Get Involved! Help us win more campaigns.

Support Tenants' Rights !

Support Economic Justice !!

Support MVUT !!!

Rent Act of 2011

DHCR Rules and Regulations

This Act requires the Division of Housing and Community Renewal (DHCR) to promulgate rules and regulations to implement and enforce all provisions of the rent regulation laws of 2011 including:

- **Extension of the Rent Regulation Laws.** The Rent Act of 2011 extends the provisions that establish the Rent Regulation system until June 15, 2015.
- **Individual Apartment Improvements.** Beginning September 24, 2011, a landlord who makes any improvements to an individual apartment can only increase rent for the apartment from 1/40th to 1/60th of the cost of the improvement for buildings with more than thirty-five housing accommodations. The adjustment remains at 1/40th for buildings with thirty-five or fewer housing accommodations.
- **Raising Vacancy Deregulation Threshold.** This Act adjusts the rental threshold for vacancy deregulation from \$2,000 per month to \$2,500 per month.
- **Vacancy Increase.** This Act limits the number of allowable increases a landlord may take for vacancies to only one increase per calendar year.
- **High Income / High Rent Deregulation Thresholds.** On or after July 1, 2011, the thresholds for deregulation due to high income will increase from \$175,000 to \$200,000 for the individuals living in the unit and the rent threshold will increase from \$2,000 to \$2,500.
- **421-a Tax Exemption.** This Act extends the 421-a Tax Exemption program to June 15, 2015. It extends the construction period time from 3 years to 6 years for projects which commenced between January 1, 2007, and June 13, 2009. As a result of the financial crisis, many programs during this period were stalled because of lack of financing. This Act provides an additional three years to complete construction.
- **421-m Tax Exemption.** This program is similar to the 421-a tax exemption program; however, 421-m exempts certain new or substantially rehabilitated multiple dwellings from local taxation in municipalities outside of New York City for those municipalities that have chosen to implement this program.

The Journal News

A GANNETT COMPANY

Breaking news 24/7 at LoHud.com

WEDNESDAY, June 22, 2011

LOCAL NEWS

Rent board approves increases

Landlords sought 5 - 9 percent hikes; got 2.5 - 4 percent

By Elizabeth Ganga
eganga@lohud.com

WHITE PLAINS — After an unruly meeting when audience members nearly shouted down a tenant member of the board and officers were called in twice to restore order, the Westchester County Rent Guidelines Board Monday night passed rent increases of 2.5 percent for one-year leases with a \$25 minimum and 4 percent for two-year leases with a \$40 minimum.

Near the end of a long presentation by tenant member Genevieve Roche on the loss of affordable rental units and the extra income landlords derive from va-

cant and decontrolled apartments, Guidelines Board Chairman Joseph Whelan demanded that Roche sit down but she refused. As she continued to talk, landlord-sympathizers in the audience tried to drown her out and tenant-sympathizers accused them of bullying.

But once the board, meeting at the Westchester County Courthouse with close to 100 people in the audience, got to the point of proposing guidelines, the action wrapped up quickly.

Jane Morgenstern, a member representing the public, offered the 2.5 and 4 percent proposal and it was adopted 5-2, bypassing the typical back and forth that narrows in on a guideline.

The board settled the new guidelines for Westchester as the state Legislature continued its debate on the re-

newal of the rent laws, which expired June 15.

The laws cover more than a million apartments in the state, including close to 30,000 in Westchester and about 2,300 in Rockland County.

A final deal has been hung up on linking an expiration of rent laws to the expiration of a property tax cap and efforts by the Assembly and Gov. Andrew Cuomo to slow the deregulation of apartments by eliminating or raising the rent at which they leave the system.

Morgenstern's proposal got the support of the board's two landlord representatives, but tenants were disappointed that there was any increase. Their two representatives voted no.

After the vote, Janet Kelly, a White Plains resident sitting in the audience, said

the minimum would hit her hard. She's a long-term tenant who lost her job several years ago.

"It's not good," she said. "I only get \$1,100 from my Social Security so it's not going to be easy."

Though the landlord representatives had originally asked for 5 percent and 9 percent increases, Ken Nilsen, the chairman of the Building and Realty Institute, which represents building owners, said they felt 2.5 and 4 percent was probably the best they could get.

"Looking at a zero, zero guideline in the face, it was better than a zero, zero guideline," Nilsen said.

Last year the board kept rents flat for the first time in several years and the tenant representatives argued it was justified to continue that for a second year, particu-

larly because only a portion of the leases of regulated apartments will expire within the window to get a zero increase. Many people sign two-year leases.

"Owner income only goes up year over year even when rent guidelines stay at zero or close to zero," Roche said.

Landlord representatives argued that owners' cost increases should be the deciding factor and justified an increase.

But it came down to the four members representing the public, who indicated a desire to balance the interests of the two sides.

Ian Joseph, a public member, said the board needed to factor in the economic circumstances of tenants.

"We get a lot of data and it's landlord-based data," he said. "We don't get a lot of tenant data."

The Journal News

A GANNETT COMPANY

Breaking news 24/7 at LoHud.com

THURSDAY, July 7, 2011

Rent board needs its own controls

Re "Rent board approves increases," June 22 article:

At a recent rent meeting in White Plains, statewide rents were not the only consideration that required regulations. Specifically, Westchester County Rent Guidelines Board chair and public member Joseph Whelan and his noisy band of landlords desperately needed control, too. At the meeting, three "public members" and two landlords approved rent increases of 2.5 percent for one-year leases with a \$25 minimum, and 4 percent for two-year leases with a \$40 minimum.

Hiking rents for low- to middle-income families during the deepest recession since the 1930s is horrific enough, but the meeting with its barrage of landlord bullying and heckling led by Whelan was at best a gross travesty of justice. Every time tenant members spoke, Whelan loudly interrupted.

He never interrupted the landlords. When the landlords spoke, they distorted facts and whined about bogus cost increases. Tenant member Genevieve Roache refuted their false claims with facts, and Whelan shouted noise at her.

It was clear early on that biased Whelan is a landlord advocate and should not have appeared as a supposedly objective public member. He ultimately steered votes toward a landlord victory. What kind of justice is this when a governing board allows its chair to rule with overt bias and bullying? It's dangerous! A newly appointed board should vote again.

Dorianne Roe

Mount Vernon

The writer is a Mount Vernon United Tenants member.

ON JULY 21, TELL REP. NAN HAYWORTH:



***“HANDS OFF OUR SOCIAL SECURITY,
MEDICARE, AND MEDICAID!”***

**Press Conference and Rally
Thurs. July 21 at 12 p.m.**

The Hudson Valley's part of the "Restore the American Promise" statewide caravan
Outside Rep. Nan Hayworth's office, 268 Route 202 in Somers

***America's social contract & safety net are under attack
in order to protect the very rich and powerful!***

- In April, Rep. Hayworth voted to privatize Medicare, limit Medicaid money for New York, and give **EVEN MORE** tax cuts to the rich!
- As negotiations continue in Washington to raise the federal debt ceiling, Rep. Hayworth and her leaders in Congress are demanding **HUGE** funding cuts and radical changes to Social Security, Medicare, Medicaid, Food Stamps, WIC, and other social programs vital to New York families.
- Meanwhile, Rep. Hayworth refuses to restore tax fairness by making the wealthy pay more, closing corporate loopholes, and ending sweetheart deals with multi-national companies.
- ...and Rep. Hayworth and her colleagues do **NOTHING** to create **REAL** jobs and economic recovery.
- **Who suffers?** Seniors, children, pregnant women, the disabled, the unemployed, struggling families

**Join us to show Rep. Hayworth that
she does not reflect Hudson Valley values!**

Bring group banners and homemade signs

More info: www.citizenactionny.org/americanpromise or 347-675-5014

STATEWIDE CARAVAN TO RESTORE THE AMERICAN PROMISE

**Protect, Preserve and Strengthen: Medicaid • Medicare • Social Security
Create Good Jobs and a Just Economy for All**

Downstate Tour Day 1: July 20, 2011

Eastern Long Island: 11:00 AM
Rep. Bishop's Office, 137 Hampton Rd, Southampton NY, 11968
Contact: Garrett Armwood, 516.541.1006 x15

Western Long Island: 1:00 PM
Rep. King's Office, 1003 Park Blvd., Massapequa Park, NY 11762
Contact: Garrett Armwood, 516.541.1006 x15

Staten Island: 4:30 PM
Borough Hall, 10 Richmond Terrace, Staten Island, NY 10301
Contact: Mark Hannay, 212.925.1829

Downstate Tour Day 2: July 21, 2011

Hudson Valley: 12:00 PM
Rep. Hayworth's Office, 268 Route 202, Somers, NY 10589
Contact: Nelini Stamp, 347.675.5014

**Join
President Franklin D. Roosevelt
and Eleanor Roosevelt!**



Upstate Tour Day 1: July 20, 2011

Western New York: 10:00 AM
Kleinhans Music Hall, 3 Symphony Circle, Buffalo, NY 14201
Contact: Natalie Luczkowiak, 716.855.1522 x2

Rochester: 1:00 PM
Rep. Reed's Office, 672 Pittsford-Victor Rd. #2, Pittsford, NY 14534
Contact: Colin O'Malley, 585.205.1311

Syracuse: 4:00 PM
Federal Building, 100 South Clinton Street, Syracuse, NY 13261
Contact: Jerry Lotierzo, 315.243.9823

Utica: 7:00 PM
Rep. Hanna's Utica Office, 258 Genesee St., Utica, NY 13502
Contact: John Ferman, 315.725.0974

Upstate Tour Day 2: July 21, 2011

Saratoga Springs: 10:00 AM
Rep. Gibson's Office, 513 Broadway, Saratoga Springs, NY 12866
Contact: Mark Emanation, 518.465.4600 x115

Kinderhook: 1:00 PM
Rep. Gibson's Office, 2 Hudson St., Kinderhook, NY 12106
Contact: Beth Soto, 845.567.7760 x10

Final Statewide Tour Stop

**A Celebration of America's Promise:
Medicaid, Medicare, Social Security and
America's Social Safety Net**

July 21, 2011

4:00 PM - 6:00 PM

The Henry A. Wallace Center at the FDR Presidential Library and Home
4097 Albany Post Road, Hyde Park, NY 12538
Contact: Jessica Wisneski, 845.901.0264



RSVP: WWW.CITIZENACTIONNY.ORG/AmericanPromise

**1199SEIU, Fight for a Fair Economy • Citizen Action of New York
New York State Alliance for Retired Americans • New York State AFL-CIO
New York Statewide Senior Action Council • New York Association on Independent Living**