



LIVING FOR THE CITY

Rent stabilized tenants wage their annual struggle for affordable rents

By Sushil Cheema

When jazz singer Richard Lanam performs, his passion for the music is infectious. Those in the audience cannot help but smile, clap in time and dance in their seats as he belts out Duke Ellington and Ray Charles tunes like he did on Thursday night at The Eighth Note, a new lounge in Chelsea. During a Ray Charles classic that night the 62-year-old New York native crooned, "Oh, Richie baby, everything is all right," and his enthusiasm showed he believed in the lyrics he sang. Off-stage, however, those lyrics are not completely true for Lanam, particularly when it comes to the rent he pays for his rent stabilized Harlem apartment, located in a building that its owner, Manhattan North Management, is about to convert into apartments.

The decision made last week by the Rent Guidelines Board (RGB) to increase the rent rates on New York City's one million rent stabilized apartments will affect Lanam and many other residents like him. According to the new guidelines, the rent on one-year leases renewed between October 1, 2006, and September 1, 2007, will increase by 4.25 percent and for two-year leases by 7.25 percent. The guidelines increase every year, and in the past five years, the rates have gone up by an average of 3.4 percent on one-year leases and 6.15 percent on two-year leases. As defined by the New York State Division of Housing and community renewal, rent stabilization primarily applies to "those apartments of six or more units built between February 1, 1947 and January 1, 1974."

At a time when many New Yorkers must line up at MetroCard machines each day in order to get to work because they cannot afford to buy a monthly pass, how do such rising costs of living affect the city's middle class and low income residents? It depends on who you ask.

"It sucks," says Jumaane Williams, the Executive Director of Tenants and Neighbors, an organization that strives for affordable housing. By voting for an increase, the board is stating that "landlords have to make 38 cents on the dollar," Williams says, referring to the RGB's statistic in which landlords spend 62 cents per dollar of the rent they collect from tenants. "That is an extraordinary income," he adds. "They shouldn't have a guaranteed income."

Jimmy Silber, owner—and resident—of a 100-unit, 16-floor building in Greenwich Village disagrees with Williams. “When you have regulated apartments, your income is totally regulated by the government, but expenses,” like fuel and taxes, “are not regulated by anyone.” He adds, “Expenses are increasing at a faster rate than rent rates.”

Silber also says, “It’s not true” that the middle class is being pushed out of the city. Renters of stabilized apartments, have “the best deal,” he says, because they are paying below market rent.

Frank Ricci, the director of governmental affairs for the Rent Stabilization Association, an organization that represents the city’s property owners, sympathizes with owner’s like Silber. Despite the consistent increase in the guidelines over the years, he says the guidelines have never quite caught up to the 2003 property tax increase.

Ricci claims that other factors like higher fuel rates, water rates and taxes—up to 50 percent for some owners, he says—have contributed to owner’s expenses and the need for higher guidelines. Some of the costs need to be passed on to the tenants, he says, just as they would be in a regular market. “The city is regulating income but not the costs.”

Victor Bernace, a New York City lawyer who has dealt with rent issues and who has taught about the pros and cons of rent stabilization in high school economics classes, sees a problem with both the landlords and the tenants when it comes to rent stabilization. He says, “The landlords want to make money. Period. They’re not there to be your friend.” Of tenants, he says, “There’s no right to live some place forever.” He adds, “There’s an expectation of staying forever” in such apartments, but the tenants must realize, “it’s not your stuff.”

At the RGB’s meeting on Tuesday, June 27, tenants and housing advocates disrupted the voting proceedings with a loud remonstrance in which participants used noisemakers of all sorts—from bongo drums to plastic bottles—to show their disapproval of the largely-expected increase. The demonstration delighted Diane Kline, a 71-year-old tenant who has occupied her rent stabilized Bay Bridge apartment for 17 years and attended the meeting. “It was great to see so many vociferous people voicing their opinions.”

Regina Shanley of Sunnyside Gardens, a residential complex in Queens, expresses the sentiments of many tenants succinctly when she says, “The rent board is a farce.” The lack of home rule—or city control of tenant protections instead of state control—upsets Shanley, as well as other tenants and advocates. Ricci brushes aside the idea of home rule. “They want home rule so they can disrupt meetings here,” he says, referring to the ruckus at the RGB vote. Of the demonstration, he says, “It was a political move on their part to try to get attention.”

Despite the increase, Lanam, the jazz singer, is planning on staying in his current apartment, one in which he says he has lived for the past 11 years, hoping that the rates won't continue to increase too much. In the meantime, Lanam will continue to delight audiences with his melodies, and maybe one day he'll be able to feel as good about his rent situation as he does about his music. "I don't know where to go," he says. "I have no money to buy or to move."