THE CITY OF NEW YORK
RENT GUIDELINES BOARD

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PUBLIC MEETING
OF THE DIRECTORS

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El Museo del Barrio
1230 5th Ave 104th Street
New York, NY 10029
June 25, 2026
7:15 p.m.

B E F O R E:

CHANTELLA MITCHELL,
THE CHAIR

A P P E A R A N C E S:

Board of Directors

Chantella Mitchell, Chair

Arpit Gupta

Brandon Mancilla

Lauren Melodia

Sina Sinai

Sagar Sharma

Adán Soltren

Maksim Wynn

S T A F F:

Andrew McLaughlin - Executive Director

Brian Hoberman - Co-Research Director

Danielle Burger - Co-Research Director

Charmaine Superville - Office Manager

P R O C E E D I N G S

CHAIR MITCHELL: Good evening. I'm Chantella Mitchell, chair of the New York City Rent Guidelines Board, and I would like to welcome you to this meeting of the Board. This is the last meeting in a series of public meetings and hearings to determine lease adjustments for rent-stabilized housing units in New York City with leases commencing or being renewed on or after October 1, 2026, and on or before September 30, 2027.

I will now take roll call. Please respond if present.

Arpit Gupta?

MR. GUPTA: Present.

CHAIR MITCHELL: Brandon Mancilla?

MR. MANCILLA: Present.

CHAIR MITCHELL: Lauren Melodia?

MS. MELODIA: Present.

CHAIR MITCHELL: Sagar Sharma?

MR. SHARMA: Present.

CHAIR MITCHELL: Sina Sinai?

MR. SINAI: Present.

CHAIR MITCHELL: Adán Soltren?

MR. SOLTREN: Present.

CHAIR MITCHELL: Maksim Wynn?

MR. WYNN: Present.

CHAIR MITCHELL: And Chantella Mitchell? Present.

Let the record show that we do have a quorum.

(Applause.)

CHAIR MITCHELL: Before we proceed to the motions, I would like to make a few brief comments on this process.

First, I would like to thank the many New Yorkers, tenants, owners, independent researchers, policy experts, advocates, and public officials who have participated in the process of determining rent adjustments for New York's nearly one million rent-stabilized apartments.

I want to especially recognize the nearly 330 people who testified about their personal experiences at our four public hearings, as well as the nearly 700 who submitted written, audio, and video submissions. Thank you.

(Applause.)

CHAIR MITCHELL: Second, I would like to thank the staff of the RGB for their exceptional research and analysis, as well as coordinating our meetings and public hearings. Their professionalism and objectivity are essential to ensuring that the Board's decisions are fully and accurately informed.

Finally, I want to express my gratitude to my fellow Board members here tonight for volunteering their time, their insights, their care, and their dedication to our work together. Thank you.

And with that, let me turn to the work, and we will begin with our hotel order.

I move to adopt the final language of Proposal 1 for the Hotel Order No. 56. This proposal was circulated to the members of the Board and posted on the RGB website on June 19, 2026.

And I further move to adopt the explanatory statement and findings for Hotel Order No. 56, substantially in the form submitted by staff to the Board as of June 24, 2026, and to be modified by the RGB staff after this meeting to reflect the adopted rental adjustments.

A summary of Proposal 1 is as followed:

Residential Class A apartment hotels, 0 percent. Lodging houses, 0 percent. Rooming houses, Class B buildings containing less than 30 units, 0 percent. Class B hotels, 0 percent. And single-room occupancy buildings, MDL Section 248 SROs, 0 percent.

(Applause.)

CHAIR MITCHELL: Any debate on the motion?

(No response.)

CHAIR MITCHELL: Do I have a second?

MR. SINAI: Second.

CHAIR MITCHELL: I will now call for the vote. Arpit Gupta?

MR. GUPTA: Yes.

CHAIR MITCHELL: Brandon Mancilla?

MR. MANCILLA: Yes.

CHAIR MITCHELL: Lauren Melodia?

MS. MELODIA: Yes.

CHAIR MITCHELL: Sagar Sharma?

MR. SHARMA: Yes.

CHAIR MITCHELL: Sina Sinai?

MR. SINAI: Yes.

CHAIR MITCHELL: Adán Soltren?

MR. SOLTREN: Yes.

CHAIR MITCHELL: Maksim Wynn?

MR. WYNN: Yes.

CHAIR MITCHELL: Chantella Mitchell? Yes. The motion passes.

(Applause.)

CHAIR MITCHELL: We will now consider proposals for Apartment and Loft Order No. 58.

I move a motion to adopt the final language of Proposal 1 of the Apartment and Loft Order No. 58 that was circulated to the members of the Board and posted on the RGB website on June 19, 2026.

And I further move to adopt the explanatory statement and findings for Apartment and Loft Order No. 58 substantially in the form submitted by staff to the Board as of June 24, 2026, and to be modified by the RGB staff after this meeting to reflect the adopted rental adjustment.

A summary of Proposal 1 is as followed:

One-year lease, 0 percent. Two-year lease, 0 percent. Lofts, one-year increase period, 0 percent. Two-year increase period, 0 percent.

(Applause).

CHAIR MITCHELL: Special guideline and decontrolled units, 49 percent above the maximum base rent. Any comments before I call for the vote?

(No response.)

CHAIR MITCHELL: Second?

MR. MANCILLA: Second.

CHAIR MITCHELL: I will now call for the vote.

Arpit Gupta?

MR. GUPTA: No.

CHAIR MITCHELL: Brandon Mancilla?

MR. MANCILLA: Yes.

CHAIR MITCHELL: Lauren Melodia?

MS. MELODIA: Yes.

CHAIR MITCHELL: Sagar Sharma?

MR. SHARMA: Yes.

CHAIR MITCHELL: Sina Sinai?

MR. SINAI: Yes.

CHAIR MITCHELL: Adán Soltren?

MR. SOLTREN: Yes.

CHAIR MITCHELL: Maksim Wynn?

MR. WYNN: Okay. So, given the recent conversation about Board independence and data --

(Applause.)

CHAIR MITCHELL: Everyone, please listen to this.

MR. WYNN: -- I'm going to read a statement in full. As the owner's representative, my primary concern is ensuring that rent-stabilized buildings are able to operate in a way that is financially sustainable for their owners and does not endanger their physical condition.

Past boards have reasonably assumed that the best way to ensure sustainable operations is to increase legal rents. However, the data this board has reviewed suggests that for buildings with income-to-expense issues, increasing legal rents may counterintuitively decrease income. That is because buildings with income-to-expense issues are also buildings where rent increase could have the most negative impact on economic occupancy.

Economic occupancy, or the percentage of the owed rent that is actually collected, decreases when tenants are unable or unwilling to pay their rent.

According to testimony from the New York Apartment Association, or NYAA, and the Furman Center, the buildings with the greatest income-to-expense issues are pre-1974, 90 percent stabilized buildings. The NYAA also asks this Board to center its decision on making these buildings, which is what I have done.

The Furman Center describes pre-'74, 90%+ stabilized buildings as housing the lowest-income, most rent-burdened tenants. Unsurprisingly, these are also the buildings with the lowest economic occupancy. According to testimony from REBNY, economic occupancy in pre-'74 buildings is 90%, while it is closer to 97% in post-'73 buildings, where tenants typically have higher incomes.

Taken together, this means that tenants in pre-'74, 90%+ stabilized buildings are struggling to pay rent, and their rent has gone up

12% over the last four years. If this board raises the rent 2% for 1-year leases, and that causes a single additional household in the median 16-unit building to stop paying rent, that will result in a 6.25% decrease in annual rental income, or roughly a 4.25% decrease.

While increases in rent may counterintuitively decrease rental income, that does not mean that no economic intervention is needed. These buildings and their owners are struggling, and they need a decrease in expenses as well as an increase in the availability of capital.

Policy makers at the city, state, and federal levels have the ability to make the expense and capital interventions that these buildings and their owners need. These policymakers need only the political will to commit the resources required to sustain this at-risk segment of the rent-stabilized stock.

According to NYAA, there are as many as 5,000 distressed buildings among the 90%+ stabilized, pre-'74 stock, despite a 12% rent increase over the last four years. This level of distress points to systemic issues on the expense side of the ledger.

While current economic occupancy levels create a counterintuitive relationship between rent increases and building income, no such dynamic exists on the expense side. A decrease in expenses causes a direct, proportional increase in net operating income, or NOI.

The good news is that the majority of costs, according to HPD, are concentrated in expenses that can be addressed through policy interventions. These costs-taxes, insurance, and utilities are ones that are generally increasing but that the city, state, and federal governments have the tools to intervene in directly.

The insurance cost containment intervention recently unveiled by the city is a good first step, but it must be only the first of many. Further interventions must be made to decrease the costs of both property taxes and utilities.

While I leave it to policymakers to structure the specifics, there are clear precedents and existing programs that can be expanded to provide relief for operators of rent-stabilized buildings.

For example, on the tax exemption side, there are numerous programs that provide tax relief to different categories of rent-stabilized buildings. But there is not an as of right exemption for pre-'74 90%+ stabilized buildings. The state must create such an exemption as soon as possible. Doing so would provide much-needed relief for these buildings, which are the ones with the most severe income and expense issues.

To reduce owners' utility expenditures, eligibility for DEP's Multi-Family Water Assistance Program should also be expanded. Doing so would offer expense relief to both pre-'74 90%+ stabilized buildings and the vast majority of buildings that are rent-stabilized, government-subsidized and income-restricted.

Currently, only this latter category is eligible for the program, but the program is underfunded to the point that, in 2025, it provided relief to only a quarter of this category's stock and covered only a quarter of their water costs. The city's new housing plan promises to double the number of covered units in

2026, but this additional investment is not nearly enough. The program must be expanded to cover both of the above segments of the rent-stabilized stock in their entirety and to cover a greater share of these buildings' water costs.

To further reduce owner expenses, the federal government should expand eligibility for the federally funded Home Energy Assistance Program, or HEAP, while the state's New York Public Service Commission should expand the Energy Affordability Program, or E.A.P. HEAP and E.A.P. both currently discount low-income households' gas and electricity bills. For pre-'74 90%+ stabilized buildings and rent-stabilized, government-subsidized and income-restricted buildings, the program should be expanded so that it also covers units' gas and electricity bills when they are paid by the owner.

Testimony provided to the RGB by a Small Property Owners of New York member demonstrates both why these expense reductions are needed and the benefit, at this moment in time, of focusing on reducing expenses rather than increasing rent.

The member is the operator of a 21-unit, family-owned, 100% rent-stabilized building that was built in 1924. Only 20 of the units are occupied, and the operator has a preferential rent roll that is only 90% of their legal rent roll. Perfectly in line with REBNY's testimony, the economic occupancy of their preferential rent roll is 90%, which is only 82% of their legal rent roll. This likely means that multiple tenants are not paying their full rent, if they're paying their rent at all.

Despite all of this, the building's NOI was positive, at about $67,000 per year, or $3,200 per unit. However, that was not enough to cover the nearly $100,000 per year the operator pays in debt service.

The financial hardship this building faces is primarily driven by its rising expenses. In 2025, its property taxes, insurance, and water/sewer charges totaled roughly $79,000. City and state policymakers have the power to reduce these expenses, thereby addressing the building's needs with expense-side interventions.

Reducing just these three expenses

by roughly 40%, or fully abating the building's property taxes and reducing insurance as well as water and sewer by just 15%, would result in the building being able to not only cover their debt service but also to have positive net cash flow.

Inversely, should this board increase the legal rent for this building by 2%, and should that increase cause even a single additional average tenant to stop paying rent, the result would be a 3% net decrease in income and a 26% decrease in net cash flow.

This operator's testimony shows that the best outcome for buildings like theirs is for the city and state to directly invest in reducing their expenses, while this board gives tenants' incomes time to catch up, thereby strengthening the building's rent roll.

I'm going to skip the HPD capital intervention side because I know everyone wants to go home, and I'm going to skip all the way to the conclusion.

Taking a step back, there is a subset of the rent-stabilized stock that is in real distress, but the underlying causes are systemic ones. Those systemic issues need to be addressed, but, at this moment, the tools this board has are more likely to cause harm to owners rather than help, while the tools that the city and state have will definitively help. The city's new insurance program is a good indicator of intent, but the relief it provides is only a fraction of what is needed. The city and state must follow up with much more support to ensure the stock's long-term viability.

Still, at this moment, with the city taking the first steps towards the capital and expense interventions owners need, and the imminent risk of cratering economic occupancy, a 0% rent increase on 1- and 2-year leases is in owners' best interests.

I vote yes.

(Applause.)

CHAIR MITCHELL: Chantella Mitchell, yes. The motion passes.

(Applause.)

CHAIR MITCHELL: Before we close -- before we close -- before we close, I want to note that I have prepared a statement outlining the basis for my proposal.

It explains why I believe a 0 percent adjustment for one- and two-year leases is a fair and responsible approach this year. It's one that reflects the depth of affordability challenges facing tenants, while recognizing the real pressures that owners continue to face.

Some hard copies of my statement will be available at the end of this meeting, and it will be posted on the board's website, nyc.gov/rgb, later tonight. I encourage everyone to read it, and I would instruct the staff to include that statement as part of the record and transcript of this meeting, along with any other statements, including Max's, that were submitted to staff by the member of this board.

Do I have a motion to adjourn?

MR. SINAI: Motion.

CHAIR MITCHELL: Second?

MR. SOLTREN: Second.

CHAIR MITCHELL: We're adjourned. Thank you. (Whereupon, at 7:31 P.M., the meeting was adjourned.)

(STATEMENTS ON FOLLOWING PAGE.)

Statement by Maksim Wynn, Owner Member on the New York City Rent Guidelines Board Released at the June 25, 2026, Public Meeting of the Board

As the owner's representative, my primary concern is ensuring that rent stabilized buildings are able to operate in a way that is financially sustainable for their owners, and does not endanger their physical condition.

Economic Occupancy

Past boards have reasonably assumed that the best way to ensure sustainable operations is to increase legal rents. However, the data this board has reviewed suggests that for buildings with income to expense issues, increasing legal rents may, counterintuitively, decrease income.

That is because buildings with income to expense issues are also buildings where a rent increase could have the most negative impact on economic occupancy. Economic occupancy, or the percentages of owed rent that is actually collected, decreases when tenants are unable or unwilling to pay their rent.

According to testimony from the New York Apartment Association, or NYAA, and the Furman Center, the buildings with the greatest income and expense issues are pre-1974, 90%+ stabilized buildings. The NYAA also asked this board to center its decision making on these buildings, which is what I have done.

The Furman Center describes pre-'74, 90%+ stabilized buildings as housing the lowest income, most rent burdened tenants. Unsurprisingly, these are also the buildings with the lowest economic occupancy. According to testimony from REBNY, economic occupancy in pre-'74 buildings is 90%, while it is closer to 97% in post-'73 buildings, where tenants typically have higher incomes.

Taken together this means that tenants in pre-'74, 90%+ stabilized buildings are struggling to pay rent, and their rent has gone up 12% over the last four years. If this board raises the rent 2% for 1-year leases, and that causes a single additional household in the median 16-unit building to stop paying rent, that will result in a 6.25% decrease in annual rental income, or roughly a 4.25% net decrease.

While increases in rent may counterintuitively decrease rental income, that does not mean that no economic intervention is needed. These buildings and their owners are struggling and they need a decrease in expenses as well as an increase in the availability of capital.

Policy makers at the city, state, and federal levels have the ability to make the expense and capital interventions that these buildings and their owners need. These policy makers need only the political will to commit the resources required to sustain this at risk segment of the rent stabilized stock.

Expense Containment

According to NYAA, there are as many as 5,000 distressed buildings among the 90%+ stabilized, pre-'74 stock, despite a 12% rent increase over the last four-years. This level of distress points to systemic issues on the expense side of the ledger.

While current economic occupancy levels create a counterintuitive relationship between rent increases and building income, no such dynamic exists on the expense side. A decrease in expenses causes a direct, proportional increase in net operating income, or NOI.

The good news is that the majority of costs, according to HPD, are concentrated in expenses that can be addressed through policy interventions. These costs-taxes, insurance, and utilities -are ones that are generally increasing but that the city, state, and federal governments have the tools to intervene in directly.

The insurance cost containment intervention recently unveiled by the city is a good first step, but it must be only the first of many steps. Further interventions must be made to decrease the costs of both property taxes and utilities.

While I leave it to policy makers to structure the specifics, there are clear precedents and existing programs that can be expanded to provide relief for operators of rent stabilized buildings.

For example, on the tax exemption side, there are numerous programs that provide tax relief to different categories of rent stabilized buildings. But there is not an as of right exemption for pre-'74 90%+ stabilized buildings. The state must create such an exemption as soon as possible. Doing so would provide much needed relief for these buildings, which are the ones with the most severe income and expense issues.

To reduce owners' utility expenditures, eligibility for DEP's Multi-Family Water Assistance Program should also be expanded. Doing so would offer expense relief to both pre-'74 90%+ stabilized buildings and the vast majority of buildings that are rent stabilized, government-subsidized and income-restricted.

Currently, only this latter category is eligible for the program, but the program is underfunded to the point that, in 2025, it provided relief to only a quarter of this category's stock and covered only a quarter of their water costs. The city's new housing plan promises to double the number of covered units in 2026, but this additional investment is not nearly enough. The program must be expanded to cover both of the above segments of the rent stabilized stock in their entirety and to cover a greater share of these buildings' water costs.

To further reduce owner expenses, the federal government should expand eligibility for the federally funded Home Energy Assistance Program, or HEAP, while the state's New York Public Service Commission should expand the Energy Affordability Program, or E.A.P. HEAP and E.A.P. both currently discount low-income households' gas and electricity bills. For pre-'74 90%+ stabilized buildings and rent stabilized, government-subsidized and income-restricted buildings, the program should be expanded so that it also covers units' gas and electricity bills when they are paid by the owner.

Case Study

Testimony provided to the RGB by a Small Property Owners of New York member demonstrates both why these expense reductions are needed, and the benefit, at this moment in time, of focusing on reducing expenses rather than increasing rent.

The member is the operator of a 21-unit, family-owned, 100% rent stabilized building that was built in 1924. Only 20 of the units are occupied, and the operator has a preferential rent roll that is only 90% of their legal rent roll. Perfectly in line with REBNY's testimony, the economic occupancy of their preferential rent roll is 90%, which is only 82% of their legal rent roll. This likely means that multiple tenants are not paying their full rent, if they're paying their rent at all.

Despite all of this, the building's NOI was positive, at about $67,000 per year, or $3,200 per unit. However, that was not enough to cover the nearly $100,000 per year the operator pays in debt service.

The financial hardship this building faces is primarily driven by its rising expense costs. In 2025, its property taxes, insurance, and water/sewer charges totaled roughly $79,000. City and state policy makers have the power to reduce these expenses thereby addressing the building's needs with expense side interventions.

Reducing just these three expenses by roughly 40%, or fully abating the building's property taxes and reducing insurance as well as water and sewer by just 15%, would result in the building being able to not only cover their debt service but also to have positive net cash flow.

Inversely, should this board increase the legal rent for this building by 2%, and should that increase cause even a single additional average tenant to stop paying rent, the result would be a 3% net decrease in income, and a 26% decrease in net cash flow.

This operator's testimony shows that the best outcome for buildings like theirs is for the city and state to directly invest in reducing their expenses, while this board gives tenants' incomes time to catch up, thereby strengthening the building's rent roll.

Capital Interventions

That said, there is a subset of buildings within the pre-'74, 90%+ stabilized stock whose issues cannot be addressed by expense interventions alone. These buildings are characterized by some combination of high leverage, severe capital needs, and very low- to negative-NOI.

Buildings that have substantial

capital needs and very low- to negative-NOI, but are not severely over leveraged are eligible for HPD's HRP, HPO, and PLP programs. These programs provide a combination of capital for repairs and expense relief in the form of a tax exemption. However, these programs are capital constrained, have long pipelines, and smaller operators may have difficulty accessing them.

Owners of buildings that are in physical and financial distress cannot afford to wait two, three, or four years to access capital. To address these needs, HPD needs a sizable and sustained increase in its capital budget so it can quickly support these buildings whose issues cannot be addressed solely by income and expense interventions.

The even more distressed subset of these buildings have severe capital needs and high interest, high loan-to-value, debt. As a result, these buildings are often toxic assets, and so owners who wish to sell typically cannot find interested buyers. However, HPD has a program called Neighborhood Pillars that finances the sale of such buildings to non-profits.

These buildings and their owners need an offramp that only HPD can provide, but even more than the category of buildings above, they cannot wait years for that intervention.

If the city and state care about both of these subsets of buildings, the tenants who live in them, and the owners who operate them, they need to drastically increase funding for the programs that provide a much needed backstop.

Conclusion

Taking a step back, there is a subset of the rent stabilized stock that is in real distress, but the underlying causes are systemic ones. Those systemic issues need to be addressed, but, at this moment, the tools this board has are more likely to cause owners harm rather than help, while the tools that the city and state have will definitively help. The city's new insurance program is a good indicator of intent, but the relief it provides is only a fraction of what is needed. The city and state must follow up with much more support to ensure the stock's long term viability.

Still, at this moment, with the city taking the first steps towards the capital and expense interventions owners need, and the imminent risk of cratering economic occupancy, a 0% rent increase on 1- and 2-year leases is in owners' best interests.

(TESTIMONY FROM CHAIR ON NEXT PAGE.)

(TESTIMONY FROM CHAIR ON NEXT PAGE.)

Statement by Chantella Mitchell, Chair of the New York City Rent Guidelines Board Released at the June 25, 2026 Public Meeting of the Board

The New York City Rent Stabilization Law of 1969 (RSL) and the New York State Emergency Tenant Protection Act of 1974 (ETPA) each made findings of "a serious public emergency" in housing, an emergency that unfortunately continues to this day. These laws accordingly enacted a legislative scheme with the purpose of "prevent[ing] speculative, unwarranted and abnormal increases in rents," "prevent[ing] exaction of unjust, unreasonable, and oppressive rents and rental agreements," and "forestall[ing] profiteering, speculation and other disruptive practices." ETPA § 2; RSL § 26-501.

To achieve these goals, the law tasks the Board with setting annual guidelines for the "adjustment of the level of fair rents," RSL § 26-510(h). In doing so, the law directs the Board to review and consider:

(1) the economic condition of the residential real estate industry in New York City

including such factors as the prevailing and projected (i) real estate taxes and sewer and water rates, (ii) gross operating maintenance costs, (iii) cost and availability of financing and interest rates and (iv) supply of housing and vacancy rates;

(2) relevant data from the current and projected cost of living indices for New York City; and

(3) such other data as has been made available to us-including the impact of any rent adjustment on tenant affordability.

The comprehensive data before the board this year reflect an economic environment in which most tenants in rent-stabilized housing struggle to meet basic affordability thresholds as housing costs continue to rise. At the same time, the data show that most owners of rent-stabilized properties continue to meet rising costs, with overall financial indicators remaining stable, while a small segment faces measurable financial strain. I recognize these two concurrent realities, as well as the connection between them. As a majority of tenants face persistent and widening affordability constraints that limit their ability to absorb additional rent increases or secure alternative housing options, the subset of owners experiencing financial pressure often operate in environments where tenant incomes place actual limits on their ability to pay rent, constraining the extent to which rising expenses can be offset through higher rents. These conditions create localized stress within the sector that require swift and specific capital and expense interventions from the city and state, as well as an increase in the supply of affordable housing.

The Rent Guidelines Board (RGB) 2026 Income and Affordability Study reported that wage growth has not kept pace with rising housing costs, which continue to drive overall inflation. The Consumer Price Index (CPI), which rose by 3.4% in the NYC metropolitan area during 2025, was accelerated by an increase of 4.7% in the rent index portion of the CPI and dampened by the increase in the CPI for "all costs less shelter," which increased by 2.7%.

Per data in the Income and Affordability Study, wages and incomes increased modestly overall in New York City during the most recent period available. Average wages rose by 2.3% after adjusting for inflation, and median renter income also increased slightly. Most boroughs saw gains, although income declined in the Bronx. However, for renter households with the lowest incomes, earnings went down after accounting for inflation. Income fell for renters in the bottom two quintiles, meaning that income growth was concentrated among higher income households.

According to the 2026 Income and Affordability Study, over half of renter households in New York City are rent burdened (spending at least 30% of their income on rent), and nearly 30% are severely rent burdened (spending at least 50%).

The report's historical data on rent burden reflect a sustained level of affordability pressure for tenants in recent years. Eviction data from the New York City Department of Investigation as well as emergency rental assistance data from the New York City Human Resource Administration also highlighted persistent and growing challenges for tenants. Evictions continued to rise in 2025 for the fourth consecutive year, increasing by 9.7% overall, with faster growth in buildings containing rent stabilized units than in other buildings.

Nearly two/thirds (62%) of evictions occurred in buildings with rent?stabilized units. At the same time, demand for emergency rent assistance has surged: one shot deal payments for rent arrears more than doubled between FY2022 and FY2024, rising from about $102 million to over $540 million, alongside a sharp increase in approved applications, and remained elevated at $555.8 million in FY2025, indicating persistently high levels of tenant distress and reliance on emergency rental assistance to avoid eviction.

The RGB's 2026 Price Index of Operating Costs found that operating costs have risen across the rent-stabilized housing stock (5.3% total). This includes large proportional increases in insurance and fuel, as well as more moderate increases in maintenance, utilities, and labor costs. Taxes remain the largest component of operating costs, though the rate of growth declined compared to the prior year. Although costs rose at slightly different rates depending on building age and heating system, the overall pattern of rising expenses was consistent across the housing stock. The RGB's 2026 Income and Expense Study found that net operating income (NOI) for rent?stabilized buildings increased 6.2% from 2023 to 2024, reflecting a third consecutive year of growth. Financial conditions in the rent-stabilized stock improved modestly overall, as the share of financially distressed buildings (buildings with negative NOI) declined slightly to 9.2%. However, outcomes varied across the city, with stronger NOI growth in Manhattan and a slight decline in NOI (0.1%) in the Bronx. The unadjusted cost-to-income ratio Citywide among all buildings was 63.6%; and 66.3% for 100% rent-stabilized buildings.

The RGB's 2026 Mortgage Survey Report also indicates that the rent-stabilized housing stock remains broadly financially stable, in aggregate. Key indicators, including debt service coverage ratios and loan performance, show that most properties continue to meet their financial obligations.

Sales activity for buildings with rent-stabilized units increased in 2025, with 730 buildings sold (up 33% from 2024), alongside rising per?unit prices, including among 100% rent?stabilized buildings. At the same time, lending conditions reflect a more cautious underwriting environment; for example, lenders reported higher vacancy and collection loss assumptions (rising from 3.14% to 5.00%) and increased loan costs, such as higher points charged on new mortgages.

Taken together, the Board's Price Index of Operating Costs, Income and Expense Study, and Income and Affordability studies from 2026 show that owners' ability to absorb rising costs is uneven and closely tied to building income and tenant characteristics. In lower?income parts of the city, most notably the Bronx, owners face the greatest financial pressure, as revenue has grown but has been insufficient to offset rising costs. These same buildings are more likely to house lower?income tenants, whose wages have not kept pace with rising costs, limiting the ability to raise rents without increasing displacement risk. The data point to concentrated financial strain in low/rent, high/stabilization buildings, where owners have the least capacity to absorb ongoing cost increases and tenants have the least ability to pay.

Collections data for 2026 further demonstrates constrained tenant capacity. Based on the Income and Expense Study, the Mortgage Survey Report, and portfolio data reported to the Board by a large lender to rent/stabilized housing, multiple indicators suggest that rent collections have not fully returned to pre-pandemic levels. The Income and Expense Study documents a persistent gap between collected and legal rents, the Mortgage Survey Report shows lenders increasing vacancy and collection loss assumptions, and portfolio-level data indicate that collection rates have not returned to pre-2020 levels, with ongoing shortfalls despite stable occupancy. This data, coupled with the rise in one-shot deals, shows that higher asking-rents do not correspond to improved realized income for many buildings and that tenant ability to pay is a binding constraint.

The RGB's 2026 Housing Supply Report and the Changes to the Rent Stabilized Housing Stock in NYC in 2025 (Changes) report, along with the NYC Department of Housing, Preservation and Development's (HPD) presented data further underscore that there are very limited alternatives for the average family currently residing in rent-stabilized housing should they be evicted or priced-out. Vacancy rates remain near historic lows, with a Citywide rate of just 1.41% and an even tighter 0.98% vacancy rate within the stabilized stock, reflecting a persistently constrained housing market with little available supply.

While new housing production has increased in recent years, the data make clear that new development is not yet delivering units at the scale or affordability levels needed to meaningfully relieve this pressure. HPD testified before the board that the median income of renter households is $70,000, meaning they can afford rents at or below $1,750 without being rent-burdened. Over the past 30 years, New York City has lost roughly 600,000 units renting at or below $1,500 (in inflation-adjusted terms), with about three-quarters of those losses occurring in pre?1974 rent-stabilized buildings, while higher?rent units, especially those above $5,000, have grown significantly.

According to the Changes report, the median rent of initially registered new rent-stabilized apartments in 2025 was $2,146. Even with the ambitious proposed housing development plans, recently passed zoning and regulatory reforms, and pipeline expansions, as described in the 2026 Housing Supply Report, it is expected to take years for new supply to come online at a scale sufficient to meet current need, particularly for median- and lower-income households. In the interim, the data make clear that there are few viable options for tenants to relocate without facing significantly higher rent burdens and nonpayment risk.

In addition to the staff reports, we received expert testimony from over 20 housing, budget, and economics professionals. Notably, we heard from the NYU Furman Center, Center on Poverty and Social Policy at Columbia University, the Community Preservation Corporation, the Community Service Society, the Local Initiatives Support Corporation, the Independent Budget Office, and the

Fiscal Policy Institute. We also heard over 300 in-person testimonies from, or on behalf, of rent-stabilized tenants (including 12 from public officials); and over 30 in-person testimonies from, or on behalf, of rent-stabilized owners (including one public official).

We also received and reviewed over 500 written, video, and audio testimonies from, or on behalf, of rent-stabilized tenants (including 6 from public officials); and over 100 written, video, and audio testimonies from, or on behalf, of rent-stabilized owners.

In weighing this year's guidelines, I consider the full evidentiary record and its implications. The data make clear that current economic conditions place meaningful constraints on tenants, while also showing that, in aggregate, most owners remain able to meet rising costs without experiencing comparable levels of financial distress. At the same time, it is important to acknowledge that a small subset of owners are facing severe financial pressure. Despite clear evidence that tenants concentrated in those buildings cannot absorb additional rent increases, these owners' need for relief is real and, in some cases, urgent.

As their testimonies made clear, they are navigating significant and compounding cost pressures, including rising property taxes, increasing insurance costs, and unfunded or underfunded legislative mandates.

While the Department of Housing Preservation and Development outlined efforts to address these challenges in their testimony to the Board, the effectiveness of those efforts will depend on whether relief is timely and accessible to the owners most in need. Taken together, these findings reinforce that preserving affordability within the existing rent-stabilized stock is important for current tenants and essential to maintaining broader housing stability across New York City. I believe this year's guidelines are consistent with the full 2026 record and that the Board's determination reflects the current economic conditions, cost structures, and housing market constraints.

STATE OF NEW YORK)
SS.
COUNTY OF NEW YORK)

I, MARC RUSSO, a Shorthand (Stenotype) Reporter and Notary Public within and for the State of New York, do hereby certify that the foregoing pages 1 through 19, taken at the time and place aforesaid, is a true and correct transcription of my shorthand notes.

IN WITNESS WHEREOF, I have hereunto set my name this 9th day of July, 2026.

Marc Russo

MARC RUSSO

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