THE CITY OF NEW YORK
RENT GUIDELINES BOARD

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PUBLIC MEETING

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Spector Hall
22 Reade Street
New York, NY 10007
April 16, 2026
9:30 a.m.

B E F O R E:

CHANTELLA MITCHELL,
THE CHAIR

APPEARANCES:

BOARD OF DIRECTORS:

Chantella Mitchell - The Chair

Sina Sinai

Sagar Sharma

Arpit Gupta

Maksim Wynn

Brandon Mancilla

Adan Soltren

Lauren Melodia

S T A F F:

Andrew McLaughlin - Executive Director

Brian Hoberman - Co-Research Director

Danielle Burger - Co-Research Director

Charmaine Superville - Office Manager

GUEST SPEAKERS:

Lucy Joffe - NYC Department of Housing Preservation and Development

Elyzabeth Gaumer - NYC Department of Housing Preservation and Development

Anthony Tatano - NYS Homes and Community Renewal

Schuyler Ross - Center on Poverty & Social Policy at Columbia University

Ryan Vinh - Center on Poverty & Social Policy at Columbia University

Daniel Salgado - Center on Poverty & Social Policy at Columbia University

P R O C E E D I N G S

CHAIR MITCHELL: Good morning. I'm Chantella Mitchell, Chair of the New York City Rent Guidelines Board, and I'd like to welcome you to this meeting of the Board. This is the 3rd meeting in a series of public meetings and hearings to determine lease adjustments for rent-stabilized housing in New York City with leases commencing or being renewed on or after October 1st, 2026, and on or before September 30th, 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: Christina Smyth?

(No response.)

CHAIR MITCHELL: Adan Soltren?
MR. SOLTREN: Present.
CHAIR MITCHELL: Maksim Wynn?
MR. WYNN: Present.
CHAIR MITCHELL: And Chantella Mitchell.
Let the record show that we do have a quorum. The next planned meeting of this Board will be here at Spector Hall on April 23rd, starting at 9:30 a.m.
Staff plans to present the 2026 hotel report. In addition, the Board will hear testimony from speakers who have been invited by the tenant and owner members of the Board. Speakers representing owners will be heard from 9:45 a.m. to 12:15 p.m., and speakers representing tenants from 1:00 p.m. to 3:30 p.m.
To our RGB tenant and owner members, please get a list of presenters to Andrew by April 21st. The public can also livestream this upcoming meeting via YouTube at youtube.com/rentguidelinesBoard.
The preliminary vote for rent stabilized lease adjustments will be held Thursday,

May 7th. This in-person meeting will start at 7:00 p.m., and will be held at the LaGuardia Performing Arts Center -- bless you -- at LaGuardia Community College in Long Island City, Queens. If you plan to attend, please use the entrance at Van Dam Street at the intersection of 47th Avenue. This meeting will also be livestreamed via our YouTube channel.

If you are interested in receiving emails about upcoming RGB meetings and hearings, please go to our homepage and click on RGB email updates under quick links.

Today, staff will present the 2026 Income and Affordability Study. A copy of this report is in your meeting folder. There are copies of the report here today, and they will be made available on our website after the meeting, along with staff presentations. Just click Research on our homepage to download these documents.

After the presentation, we'll hear from the New York City Department of Housing Preservation and Development, HPD, New York State Homes and Community Renewal, HCR, and the Center on Poverty and Social Policy at Columbia University.

Please note that the annual conflict of interest for financial disclosure report filing period has begun and will end on May 1st. Please file before the deadline.

I will now introduce Danielle Burger, who will be presenting the 2026 Income and Affordability Report.

Thanks, Danielle.

MS. BURGER: Good morning. Thank you. Is this loud enough?

CHAIR MITCHELL: Yes.

MS. BURGER: Okay. The Income and Affordability Study is researched and presented each year in accordance with Section 26-510(b) of the Rent Stabilization Law, which requires the Rent Guidelines Board to consider relevant data from the current and projected cost-of-living indices and permits consideration of other measures of housing affordability in its deliberations.

To assist the Board in meeting this obligation, RGB research staff produce an annual Income and Affordability Study which reports on housing affordability and tenant income in New York City's rental market. The study highlights year-to-year changes in many of the major economic factors affecting New York City's tenant population and takes into consideration a broad range of market forces, rent levels, and public policies affecting housing affordability.

Such factors include New York City's overall economic condition, including unemployment rates and inflation rates, as well as household income and housing costs, and other relevant factors such as the number of eviction proceedings and homelessness levels.

Looking at some of the specific highlights of this year's Income and Affordability Report, the I&A study examines the cost and affordability of rental housing. Data from the 2024 American Community Survey shows that 51.6 percent of New York City renter households pay 30 percent or more of their income towards rent, including 28.8 percent that pay 50 percent or more. The median gross rent-to-income ratio was 30.9 percent in 2024, a decrease of 0.2 percentage points.

By borough, the median gross rent-to-income ratio ranged from 28.3 percent in

Manhattan to 37.3 percent in the Bronx. The median household income for renters is $64,866, an inflation-adjusted increase of 1.8 percent. By borough, renter income in real terms increased in each borough but the Bronx in 2024, rising by the greatest proportion in Manhattan, 6.9 percent, and declining by 5.3 percent in the Bronx.

The median contract rent was $1,695 in inflation-adjusted terms, an increase of 0.6 percent. But median gross rent of $1,811 saw a real decrease of 0.2 percent. By borough, median gross rents in real terms increased in both the Bronx and Brooklyn in 2024, but fell in Manhattan, Queens, and Staten Island.

Overall inflation rose more slowly than the previous year, with prices rising by 3.4 percent on average during 2025 in the metro area, down from 3.8 percent in 2024. Excluding the cost of shelter, the CPI increased by 2.7 percent in 2025, and the rent component of the index rose by 4.7 percent.

In housing court, nonpayment filings fell by 1.3 percent, and nonpayment calendared cases fell by 12.1 percent. However, evictions increased from 13,766 to 15,105, a 9.7 percent increase. Businesses in the city gained an average of 23,800 jobs, a 0.5 percent increase following an increase of 2.3 percent in 2024.

However, the unemployment rate rose to 5.2 percent, up 0.2 percentage points. The number of cash assistance recipients in New York City rose in 2025, increasing by 7.4 percent. And the number of food stamp recipients, now known as SNAP, decreased by 0.4 percent.

Including asylum seekers, homeless levels in DHS shelters decreased by 1.7 percent but rose by 2.1 percent excluding asylum seekers. Average inflation-adjusted wages increased by 2.3 percent over the prior 12 months, while nominal wages increased by 6.1 percent.

And the city's economy, the gross city product, in inflation-adjusted or real terms, is forecast to increase by 3.5 percent during 2025.

We will first focus on unemployment statistics. The citywide unemployment rate increased by 0.2 percentage points in 2025 to 5.2 percent. By borough, the lowest unemployment rate was in Staten Island, 4.5 percent, a decrease of 0.2 percentage points from 2024. In Queens, it was 4.6 percent, a decrease of 0.1 percentage points from 2024. In Manhattan, it was 4.6 percent, a decrease of 0.2 percentage points. In Brooklyn, it was 5.2 percent, a decrease of 0.2 percentage points. And the highest unemployment rate was in the Bronx, 6.8 percent, which was a decrease of 0.2 percentage points from 2024.

This graph illustrates unemployment rates for both New York City and the nation as a whole from 2011 to 2025. The New York City rate is in purple and was 5.2 percent in 2025, an increase of 0.2 percentage points. The U.S. jobless rate is in green and was 4.3 percent in 2025, a 0.3 percentage point increase.

As this graph shows, businesses based in New York City gained jobs in 2025. There was an average annual increase of 23,800 jobs in 2025, a 0.5 percent increase from 2024 job levels. This is the highest level of employment ever recorded in New York City, but the smallest proportional increase in employment since 2009, excluding the pandemic year of 2020.

The rate of inflation, as measured

by the Consumer Price Index, which measures the change in the cost of typical household goods, rose at a slower rate in 2025 than the prior year, increasing by 3.4 percent in the New York City metro area. Note that the CPI is not exclusive to New York City, as the study area extends into the suburbs of New York City. This was a decrease from the 3.8 percent inflation rate in 2024, but it was the lowest rate since 2021 in the New York City metro area.

Inflation in the first quarter of 2026, the latest available data, was equal to the 2025 annual average, 3.4 percent. For comparison, the U.S. CPI for urban consumers increased by 2.6 percent in 2025, 0.3 percentage points lower than the previous year.

The Bureau of Labor Statistics also produces special aggregate indices of CPI, such as indices for all items less shelter, energy, and all items less medical care. We will talk more in depth about the all items less shelter index on the next slide.

The CPI for all items less shelter is a special aggregate index published by the BLS that includes all costs except those for shelter. This index rose at a slightly faster pace than the previous year. An increase in the New York City metro area of 2.7 percent, compared to 2.6 percent in 2024. The costs contained in this index account for 59 percent of all costs in the metro area. The CPI can be disaggregated for changes in specific components of this index.

The cost of food and beverages rose by 2.8 percent, down from 1.8 percent in 2024. Apparel costs fell by 1.9 percent compared to a 1.5 percent decrease in 2024. Medical care costs rose by 1.7 percent, up from a 0.8 percent decrease in 2024.

Recreation costs rose by 4.5 percent, down slightly from a 4.6 percent increase in 2024. And tuition, school fees, and childcare costs increased by 4.8 percent, up from a 2.0 percent increase in 2024.

Shelter expenses account for 41 percent of expenses in the New York City metro area. The shelter component increased by 4.4 percent in 2025 and follows an increase of 5.6 percent in 2024, a 1.2 percentage point decrease.

The shelter component consists of two major expense items, including rent of primary residence. Rent of primary residence in the CPI increased by 4.7 percent in 2025 in the New York City metro area. This was the 3rd highest increase since 2008, but a decrease of 0.2 percentage points from 2024. But it was lower than the U.S. CPI for rent in 2025, an increase of 3.5 percent.

As reported by the Quarterly Census of Employment and Wages, and as this graph shows, both real and nominal average wages rose in the most recent 12-month period, which runs from the 4th quarter of 2024 through the 3rd quarter of 2025. Real wages are shown in 2025 dollars, an increase by 2.3 percent, while nominal wages increased by 6.1 percent.

We now move on to cash assistance recipients. The dark purple portion of this graph shows the number of recipients in the Family Assistance Program, and the lighter purple shows the number of recipients in the Safety Net Assistance Program.

The green bars represent the number of recipients who have converted from the

Family Assistance Program to the Safety Net Assistance Program. In 2025, total cash assistance cases rose by 7.4 percent.

Other indicators of public assistance not shown here include SNAP recipients, which decreased by 0.4 percent in 2025, and Medicaid enrollees, which fell by 5.0 percent.

This chart shows sheltered homelessness levels for those in DHS facilities during calendar years 1995 through 2025. Levels decreased in 2025 by 1.7 percent on average, including asylum seekers newly arrived to New York, but levels remained much higher than prior to 2023. Not shown on this chart, excluding asylum seekers, the average DHS shelter census increased by 2.1 percent in 2025.

Moving on to Housing Court. The average annual nonpayment filings in Housing Court decreased, falling by 1.3 percent to 95,226 in 2025. There were 49,808 nonpayment cases scheduled for a hearing, known as calendared cases, a decrease of 12.1 percent. There were 15,105 residential evictions, for both nonpayment and holdover cases, in 2025, a 9.7 percent increase from the 13,766 in 2024.

Focusing specifically on residential evictions, both for nonpayment and holdover cases, following an eviction moratorium that ended in mid-January 2022, evictions increased in 2025 for the 4th consecutive year. The number of evictions increased from 13,766 in 2024 to 15,105 in 2025, a 9.7 percent increase. Although an increase from 2024, evictions remain below any year between 1983, the first year for which data is available, and 2018.

Approximately 62 percent of the units with evictions in 2025 were in buildings containing rent-stabilized units, though not necessarily rent-stabilized units. Evictions rose by 11.8 percent in buildings that contain rent-stabilized units and by 6.5 percent in buildings that do not.

By borough, approximately 38.2 percent of evictions in buildings containing rent-stabilized units were in the Bronx, 24.0 percent in Brooklyn, 20.7 percent in Manhattan, 15.9 percent in Queens, and 1.2 percent in Staten Island.

The next set of slides will focus on data from the American Community Survey. This survey, conducted by the Census Bureau, provides data on rent and income for New York City and the boroughs. The most recent data from this survey is from 2024. Note that ACS data from 2020 is not able to be compared to data from other years. Note that unlike the Triennial Housing and Vacancy Survey, which is able to be stratified for rent-stabilized tenants, the ACS provides data for all renters in New York City regardless of regulation status.

Looking at median gross rent-to-income ratios from this survey from 2011 through 2024, the rates have ranged from a low of 30.1 percent in 2019 to a high of 32.7 percent in 2014. The citywide ratio was 30.9 percent in 2024, a 0.2 percentage point decrease from 2023.

This chart focuses on the median gross rent-to-income ratios in each borough in 2023 and 2024. As noted on the previous slide, at 30.9 percent, the median gross rent-to-income ratio in New York City as a whole decreased by 0.2 percentage points from 2023 levels.

By borough, in 2024, ratios ranged from a low of 28.3 percent in Manhattan to 29.8 percent in Brooklyn, 31.4 percent in Queens, 31.7 percent in Staten Island, and 37.3 percent in the Bronx. Compared to 2023, this ratio decreased or remained the same in all boroughs but the Bronx, where it increased by 0.7 percentage points.

The American Community Survey also reports on the proportion of households who are considered rent burdened and severely rent burdened; that is, households paying at least 30 percent or 50 percent of their income towards gross rent, respectively. The totality of each column in this graph represents the number of households paying at least 30 percent of their income towards gross rent.

Looking at these ratios from 2011 through 2024, the proportion of households paying at least 30 percent of their income towards rent has ranged from a low of 50.1 percent in 2019 to a high of 55.1 percent in 2014. The ratio was 51.6 percent in 2024, a 0.3 percentage point decrease from 2023.

Looking at monthly contract and

gross rents from 2011 through 2024 in real 2024 dollars shows that from 2011 to 2024, rent has increased in inflation-adjusted terms by approximately $250 a month for both contract and gross rent. In 2024, the latest available data, median contract rent was $1,695, an inflation-adjusted increase of 0.6 percent from 2023. And median gross rent was $1,811, an inflation-adjusted decrease of 0.2 percent from 2023.

By borough, median gross rent was highest in Manhattan, $2,212, and lowest in the Bronx, $1,456, with medians of $1,718 in Staten Island, $1,837 in Brooklyn, and $1,914 in Queens. Not shown here, from 2023 to 2024, inflation-adjusted median gross rents declined by 1.9 percent in Staten Island, 1.8 percent in Queens, 1.7 percent in Manhattan. It increased by 0.4 percent in Brooklyn and 3.8 percent in the Bronx.

Median gross rent can also be reported based on the year the tenant moved in. In New York City, those tenants residing in their apartments longest had the lowest median gross rents. For tenants who moved in prior to 1990, the median gross rent in 2024 was $1,158. But for tenants who moved in 2023 or later, it was $2,538. Citywide, the median gross rent for those who moved into their apartments in 2023 or later was 119 percent higher than for those who last moved in 1989 or earlier. This includes differentials of 61 percent in the Bronx, 81 percent in Queens, 123 percent in Brooklyn, 183 percent in Manhattan, and 283 percent in Staten Island. For comparison, the differential was 49 percent for the US as a whole.

The American Community Survey also reports on median household income for renters, shown here in inflation-adjusted 2024 dollars for 2023 and 2024. Median household income for renters, $64,866, increased by 5.7 percent nominally and increased by 1.8 percent in real terms.

By borough, renter incomes increased in real terms by the largest proportion in Staten Island, which increased by 36.2 percent, but there's a very small sample size, so that should be interpreted with caution. This was followed by Manhattan, which increased by 6.9

percent; Queens, which increased by 1.4 percent; and Brooklyn, which increased by 0.7 percent. In contrast, inflation-adjusted renter household income decreased by 5.3 percent in the Bronx.

We can also look at ACS data for renter housing costs as a percentage of income for different income brackets. As household income increases, so does housing affordability. In 2024, 88.6 percent of households making less than $20,000 a year had a rent-to-income ratio in excess of 30 percent. But for those households making at least $75,000 a year, the ratio who spend at least 30 percent of income on rent drops to 19.0 percent.

To help measure income inequality, the ACS provides average household income in quintiles. Each quintile represents 20 percent of household incomes within New York City, and analyzing the change in these quintiles over time can provide long-term insight into income inequality. While not consistently true year to year, over the period from 2006 to 2024, which are the earliest and latest years available for analysis, income in New York City increased more rapidly for higher quintiles than for lower quintiles.

As the chart shows, between 2006 and 2024, there was an average annual decrease of 0.5 percent for the lowest quintile, but an increase of 1.4 percent each year for the highest quintile. Not illustrated here, between 2023 and 2024, which are the two most recent years of data, household income in the lowest quintile decreased by 0.8 percent in real terms compared to the prior year. However, real income in all other quintiles increased by 0.8 percent in the second quintile, 1.6 percent in the third quintile, 1.0 percent in the fourth quintile, and 1.6 percent in the highest quintile.

This graph illustrates the poverty rate for New York City individuals and New York City renter-occupied family households per the American Community Survey. As the purple bars on this graph show, the poverty rate for individuals in New York City in 2024 fell by 0.2 percentage points and was 18.0 percent, compared to 12.1 percent for the United States as a whole, which is not shown on this graph.

This graph also shows the poverty

rate for renter-occupied family households shown in green. This rate was 19.3 percent in 2024, a decline of 1.2 percentage points from 2023. This compares to 5.8 percent for renter-occupied households in New York City, which is not shown on this graph.

To summarize, this table outlines some of the key indicators we have discussed during this presentation, with the change in each quarter and annually as compared to the same time period in 2024. A more detailed version of this table can be found in Appendices I and II of the report.

In summary, for 2025, on an annual basis, the unemployment rate rose to 5.2 percent, up 0.2 percentage points. Businesses in the city gained an average of 23,800 jobs, a 0.5 percent increase. New York City also saw growth in gross city product, which in inflation-adjusted or real terms is forecast to increase by 3.5 percent during calendar year 2025.

Homeless staying in city shelters decreased, including asylum seekers, falling by 1.7 percent, but increasing by 2.1 percent excluding asylum seekers.

While the number of cash assistance recipients increased by 7.4 percent, and the number of food stamp recipients, now known as SNAP, decreased by 0.4 percent.

The number of Medicaid enrollees also fell, down 5.0 percent, and in housing court, nonpayment cases fell by 1.3 percent in 2025, and nonpayment calendared cases fell by 12.1 percent.

But residential evictions rose, increasing by 9.7 percent in 2025, and average inflation-adjusted wages increased by 2.3 percent over the prior 12 months.

Thank you. And if you have any questions.

CHAIR MITCHELL: Thank you, Danielle.

Can you hear me? Any questions from the Board?

Yes, Lauren.

MS. MELODIA: Hi, Danielle. Thank you so much.

MS. BURGER: Hi.

MS. MELODIA: I have quite a few questions. I don't know if I should go one by one.

But I saw in the report, in the index, you broke out kind of employment and wage growth by industry. But in the presentation, you know, you really mentioned kind of the overall payroll job growth in the city in 2025. And I'm just curious if you had time to look through kind of the industry changes and -- you know, can describe for the Board where we saw job growth, in what industries or occupations.

MS. BURGER: Right. So as it says in the report, most of the job growth over the last few years has been in the healthcare sector. And that's primarily among, like, home healthcare services, like somebody who needs a visiting nurse in their house for a disabled person or an elderly person.

And it's a little hard to compare the -- it's a little hard to compare wages across -- there's different types of employment that you can look at. Like, you can look at the CES survey. You could look at the QCEW survey, and it's a little bit hard to compare between them. But in general, the healthcare sector is one of the lowest-paying sectors.

MS. MELODIA: Great. Thank you.

Another thing that I wanted to kind of dig into is you showed the change in the unemployment rate, and we know that the unemployment rate is kind of the result of shifts in labor force participation and employment. So I was just curious if you had looked at labor force participation rates and kind of how that lines up with the increase in the unemployment rate.

MS. BURGER: Yeah, those are in the report and also in the appendices. They're not in this presentation. But --

MS. MELODIA: We do know that in New York City in the past couple of years, we've had the highest labor force participation rate in its history. And it's kind of curious because we also have such a slow-growth economy. So in my mind, when I look at that, I think, well, there are so many people trying to get jobs in an economy with very few jobs.

Is that reflecting the cost of living in the city? More adults per household, like, needing to go out into the labor market? I'm just curious if that lines up with any of your --

MS. BURGER: Yeah. I can't really comment on that. The -- you know, the labor force participation rate and the employment population ratio have been increasing, but I can't say exactly what's going on, you know, beyond that.

MS. MELODIA: You guys did the analysis by quintile of household income, which you showed, and I was curious if you would also have gotten a sense of wage increases by quintile, both real and nominal? I see that there's an industry breakdown, but.

MS. BURGER: No. The -- yeah, because I don't have individual -- the quintiles are reported by the ACS survey, and that's household income. The wages, I don't have exact wages. There is a report that's put out, I think, by IBO. One of the agencies puts out a report based on tax data, but it's delayed by a couple of years. And I believe they do that in that report, and I can find the latest version, but I think it's probably from 2023, the latest one.

MS. MELODIA: Great. Okay. One last question, I promise.

Thank you for reporting on kind of

increases in cash assistance and benefits need in New York City and the poverty rate. I mean, we can clearly see that there's been a real increase in poverty. And if you, you know, look at the access people have to jobs, we know that lower-income households are facing higher unemployment rates in the city post-pandemic. To my knowledge, the cash assistance and food stamps are not indexed to CPI, is that right?

MS. BURGER: I don't know.

MS. MELODIA: Okay.

MS. BURGER: Yeah.

MS. MELODIA: And then in the -- so related to that, in the very end of the report, you shared with us some of the local economic projections from the Comptroller's Office, IBO, OMB.

I was curious if they had any projections on cash assistance, food stamps, and Medicaid need, and if those had incorporated in them the fact that the One Big Beautiful Bill Act passed last year is going to dramatically reduce benefits access for New York City residents?

MS. BURGER: I don't believe it

was part of this report. I can see if there are other reports that address that, but these reports at the end are focused more on the budget and not the general economy. Well, I mean, the budget's part of the economy, but not the social --

MS. MELODIA: They didn't get into social assistance?

MS. BURGER: Yes.

MS. MELODIA: Got it. Thank you.

CHAIR MITCHELL: Yes, Arpit?

MR. GUPTA: Sorry, I just want to respond to follow up on the previous points. I believe SNAP is indexed to inflation, right? Were there other assistance programs you had in mind?

MS. MELODIA: Cash assistance?

MR. GUPTA: Like SNAP is indexed to inflation, but were there other cash assistance programs that --

MS. MELODIA: Yes, cash assistance. So, the big bar plot that Danielle showed was around, you know, the cash assistance people get if they're on temporary assistance for families.

CHAIR MITCHELL: Yeah, FMP and

SNAP.

MS. MELODIA: So that's, you know, beyond -- that's for just cash, like it's not food stamps, it's cash assistance.

MR. GUPTA: So the issue is like, is TANF indexed to inflation then?

MS. MELODIA: Yeah.

MR. GUPTA: I thought that was also indexed to inflation. I could be wrong.

MS. MELODIA: I don't believe it is, but --

MR. MCLAUGHLIN: We'll try to get --

MS. MELODIA: Let's find this out.

MS. BURGER: Well, I have no idea. We'll try to find out.

MR. MCLAUGHLIN: We'll look into it.

MR. SOLTREN: So --

CHAIR MITCHELL: Oh, yes, Adan.

MR. SOLTREN: Sorry. Thank you, Danielle, for the report. As my colleague was saying about the sectors, I just want to point out that I think finance and insurance had the highest wage growth at 7.2, and I think if you take that out, wages only increased in real terms by like 0.5 percent, I think.

MS. BURGER: No, I think it was -- I think it was -- oops, sorry.

MR. SOLTREN: Hold on.

MS. BURGER: Let me get the number. That might be right. I'm not sure.

MR. SOLTREN: Yeah, real wages would have rose just 0.5 percent, I think, if you remove --

MS. BURGER: Right. So it's a difference of 2.3 percent versus 0.5 percent without finance and insurance.

MR. SOLTREN: The other question I had is because I did note here that for some of this data, it takes into account commuters' commuter wage data for this to get to these -- some of these numbers. Is -- there's no way that we can possibly break any of that out, right? Because I'm thinking of like folks who might be commuting in these sectors specifically.

MS. BURGER: Not for wages. There's just the household income from the ACS, which is different than wages, but that is specifically for New York City. But the wage data comes from employers who are not distinguishing between where people live.

MR. SOLTREN: And that's the same in the CES and the -- okay.

CHAIR MITCHELL: I had a question about household composition and if any of the data shows like who's -- who the earners are in the household? So single-earner households versus multiple-earner households and how that kind of increase in income spreads across those types of households?

MS. BURGER: I would have to -- I've never looked at that before, so I can't say if it's possible to get it or not. But there is -- in the poverty data that I provide, it is broken out a little bit more by households, families with children, female-headed households, male-headed households, married couples.

So that gets to a little bit of that, you know, in a roundabout way because the poverty rates are much higher for single-parent households than for married couples. But I will see if there's any data on that.

CHAIR MITCHELL: Okay. And my other question was if any of the datasets that we use include non-earned income in the household income amount? So are any other types of income included in that besides wages?

MS. BURGER: Yeah, I believe it's any kind of income that you get. The -- I can't speak exactly for the ACS survey, but there's, I think, a footnote on the HVS which is probably similar. Let me find it.

So for the HVS, the footnote says -- this is from the 2021 HVS, but they were asked for income from a total of 27 different income sources. These include but are not limited to wages, salaries, and tips, self-employment income, home rental income, interest, dividends, and annuities, Social Security and pensions, workers' compensation, paid family or medical leave, unemployment, child support and alimony, and other transfers and in-kind payments.

CHAIR MITCHELL: Thank you. Other questions?

Yes, Brandon.

MR. MANCILLA: Can you hear me, okay?

MS. BURGER: Yeah.

MR. MANCILLA: Am I going to be heard? So, I just -- I have a question if the data reflects at all any, like, household debt. There's also been a historic rise in, you know, credit card debt, people putting, you know, different essential payments onto their credit card instead of coming out directly out of their monthly --

MS. BURGER: The only data that I have related to that is from a Community Service Society survey that's in here.

MR. MANCILLA: Okay.

MS. BURGER: And they get into a little bit about that. So those numbers are in here in page 18 of the report.

CHAIR MITCHELL: Yes, Sina?

MR. SINAI: Hi, Danielle. Thanks so much for this report.

Two questions. One is I would just love to sort of get a sense for, like, pre-2008, like if there's longer-term, like gross rent-to-income ratios that we could kind of take a look at just to sort of account for that huge sort of event. And I think the ACS goes back to like 2000, but we'd love to see if there's other sort of complementary data sources that we could draw upon just to get like a complete view?

MS. BURGER: Okay. Yeah. I can give you HVS data, and the chart that's in here goes back to -- I have it going back to 2005, but the chart that's in here goes back to 2011 on page 15.

MR. SINAI: Yeah.

MS. BURGER: But I have it going back to 2005 for the ACS. And we have it much longer than that for the Housing Vacancy Survey.

MR. SINAI: Great. Fantastic. Thank you.

And then my second question is like -- and I'm just thinking out loud here. I think like as part of the sort of income and affordability question, there are also sort of second-order costs like that embed the cost of real estate, and so like labor that goes into that cost push that goes -- gets reflected in wages.

FEMALE VOICE 1: Can you speak

into the microphone?

MR. SINAI: Yeah, sure. There's like a lot of like second-order kind of expenses that are tied to sort of the real estate and sort of rents here as well. So when I'm thinking about like deflators that we use to sort of adjust real wages or income or like real costs to owners, there are also sort of embedded costs for like rent that are included in labor, and I'm wondering if there's a -- like we could sort of think through decomposing those effects as like second-order effects for like rents that are embedded in labor costs and sort of teasing those apart to come up with a more granular attribution.

MS. BURGER: Yeah, I don't --

MR. SINAI: Yeah, I'm just thinking --

MS. BURGER: Like a little over my head. I'm not sure I understand.

MR. SINAI: Yeah, maybe I'll like --

MS. BURGER: Yeah, if you want to -- email us the question. I'm happy to answer it, but I'm not sure.

MR. SINAI: Yeah, yeah.

MS. BURGER: Yeah.

MR. SINAI: I just like -- yeah, the cost of like food also includes like cost of wages in the industry. That also includes the cost of, you know, real estate and rent and residential living. And so I'm just trying to come up -- yeah. Anyway. Yeah. Thank you.

CHAIR MITCHELL: Adan?

MR. SOLTREN: Thanks. I just have one more question. In terms of the eviction data, it's a little bit surprising to me all in all, but is there any way that we can get data to break out whether or not the evictions were in rent-stabilized units themselves?

Because it -- I mean, 62 percent of evictions being in buildings with rent-stabilized units kind of helps but doesn't really get to part of the issue, right? Because if the other -- if there's only one rent-stabilized unit and then maybe other folks are market, and I think to the extent that there would be a way to figure out exactly which units were being subject to that, I mean --

MS. BURGER: It's really not really possible. The eviction data, it does -- if the eviction data was 100 percent accurate, because it's submitted by the marshals, so if the data was submitted completely accurate with the unit number, which they're supposed to give, which is a big if, but even if that was the case, it would basically have to be manually gone through. And we're talking about, you know, 9 -- 8, 9,000 records. And I can't do it, basically.

MR. SOLTREN: Yeah. I know that you probably can't. That's a gargantuan task. But in my head, I'm like, you know, there is a way. I mean, you would just track the marshal, the documents from the marshal to the underlying nonpayment or holdover proceeding. You could figure out from there pretty easily, and then with the ACR records. But I'm just wondering, because it doesn't necessarily help us as much as I wish it would in terms of painting the appropriate picture. I think that we can glean some data.

MS. MELODIA: Related to evictions, I know that with benefits policies, Medicaid, SNAP, cash assistance, there's been changes to eligibility requirements, recertification processes. There was kind of like a pause on some of them during the pandemic, which contributed to kind of growth in cash assistance, et cetera, et cetera.

So this like increase in evictions in the last year, is that in any way attributed to kind of how the city has changed the legal process, or any kind of holdovers from the pandemic policy period, or is that not a factor? Like, are policy changes a factor in why we're seeing the increase in the evictions that's, from what I can tell, not related to nonpayment, right?

Well, you mentioned that the nonpayment evictions -- nonpayment proceedings -- sorry, I'm trying to learn the language -- had decreased, but then the evictions had gone up.

MS. BURGER: Yes.

MS. MELODIA: So yeah, just kind of curious if there's policy changes related to kind of the slow change, you know, the post-pandemic changes that attribute to any of those increases.

MR. SOLTREN: Well, one thing that

could attribute to the decrease in the number of filings would just be that people are getting the rental assistance up front, or they're doing whatever they need to be doing prior to actually getting sued, so then it wouldn't show up in the actual filings.

Do you have any other thoughts?

CHAIR MITCHELL: Sagar?

MR. SHARMA: Yeah, I mean, I think to that question, I think the fact that the evictions are going up while the filings are going down just shows that the city does invest many dollars into rental arrear grants, but the fact that evictions are going up, that means that people don't qualify for those grants. One of the major factors for qualifying for those grants is that you need to show that you could afford your rent going forward.

So if you can't afford your rent going forward, you're not going to get that grant. So the fact that filings are going down but the evictions are going up, I tend to see that to mean that people can't afford their rents anymore, and those who are financially burdened are being evicted.

There's also a question about what happens to people who do get the grants, because those grants are loans, and those loans you have to pay back. And personally, in my own practice, I've seen the collections of those loans increase. So I'm wondering, does the collections of the one-shot deals loans affect the people who are now being sued again because now they're paying back a loan on top of paying back a rent that they can barely afford, and that increases the evictions then?

CHAIR MITCHELL: Very helpful. Other questions from the Board?

(No response.)

CHAIR MITCHELL: Thank you, Danielle.

MS. BURGER: Thank you.

CHAIR MITCHELL: All right. And if you all are ready, we will now hear from HPD, the New York City Department of Housing Preservation and Development. And we will get a presentation from Lucy Joffe, Deputy Commissioner, and Elizabeth Gaumer, Assistant Commissioner.

MS. BURGER: All right, I'm going

to make this full screen.

CHAIR MITCHELL: Oh, never mind.

MALE VOICE 1: You can hit the green out here.

CHAIR MITCHELL: Welcome, Lucy and Liz.

MS. GAUMER: Good morning.

CHAIR MITCHELL: Good morning.

MS. GAUMER: Good morning. Hello. Thank you. Good morning, Chair Mitchell. Welcome, Chair Mitchell.

CHAIR MITCHELL: Thank you.

MS. GAUMER: And members of the Rent Guidelines Board. I am Elizabeth Gaumer, Assistant Commissioner of the Division of Research and Evaluation and Chief Research Officer for the New York City Department of Housing Preservation and Development.

I am joined by my colleague Lucy Joffe, who is Deputy Commissioner of Policy and Strategy. As always, we are grateful for the invitation to provide testimony during this process.

HPD's mission is to promote

quality and affordability in the city's housing, and diversity and strength in the city's neighborhoods. Rent-stabilized units comprise one-quarter of New York City homes, and almost half of rental units. Roughly one-quarter of the rent-stabilized housing stock is affordable rental housing regulated by HPD, and subject to the annual orders issued by this Board.

For these reasons, a key component of HPD's work involves ensuring the quality, safety, and ongoing viability of our rent-stabilized housing. And we dedicate significant time and resources to studying rent stabilization and responding to changes within the context of our broader housing market.

HPD's role in this hearing is to provide you with data about the New York City housing market and information about the programs we have to ensure that the long-term health of our rent-stabilized housing stock.

For those of you who don't know me, I lead a team of researchers and survey methodologists at HPD conducting primary data collection and quantitative analysis to support policymaking and program design.

I also serve as the principal investigator for the New York City Housing and Vacancy Survey, or NYCHVS, which is the city's official source of the net rental vacancy rate and a vital source of information on rent stabilization, all other forms of housing, and the eight million residents who call New York City home.

The NYCHVS is uniquely valuable because it is one of the only data sources that is representative of the regulated stock and its resident population, as well as the broader housing stock for comparison.

I am going to present today from the 2023 NYCHVS, as well as findings from our ongoing research using a novel dataset from the New York City Office of Administrative Tax Appeals, or OATA, that provides property-level data on income and expenses for those properties that submitted a challenge to their property taxes.

These two sources are unique but complementary to the other information provided to the Board. First, I'm going to provide a high-level picture of housing affordability crisis and how it has evolved over time. Then I'm going to share key measures of each analysis, highlighting challenges for both tenants and owners that they are currently facing.

Some of our key highlights here. Over the last 30 years, the cost of housing has increased dramatically, and we have seen a net loss of low-cost units. This was fueled in large part by pre-2019 rent laws that allowed for vacancy decontrol, vacancy increases, and substantial but unverified individual apartment increases, and the subsequent increases to legal rent.

The remaining low-and moderate-cost rent-stabilized units are one of New York City's most precious resources, and it is imperative that we utilize every available tool to keep these rents low. The majority of tenants in our city are already rent-burdened, and too many households struggle to make ends meet. High levels of rent burden and increasing housing costs contribute to financial instability in both the short and long-term.

The stock of one million

rent-stabilized units is varied. As you will see here in our testimony today, there is wide variation in both incomes and expenses even within the 100 percent rent-stabilized properties built before 1974.

Building owners are feeling the increasing costs of running their buildings. Some expenses, particularly insurance, have increased dramatically in the last few years. The solutions need to be bold but narrowly tailored to address rising costs while preserving affordability.

The 2023 NYCHVS showed an acute housing shortage across every rent level. Of the limited number of units that were vacant and available for rent, the typical asking rent was $3,000 a month, which is considered affordable for families earning $120,000 a year or more. Yet the median income of renter households was just $70,000.

Households earning $70,000, on the other hand, can only afford rents at or below $1,750 a month. However, the net rental vacancy rate for units at that level was less than 1 percent, and importantly, that remained unchanged in both our 2021 and 2023 surveys.

There is simply not enough low-and moderate-income housing available for anyone, and even less for renter households in the bottom half of the income distribution.

In the last 30 years, rents in the New -- in New York City have increased dramatically. You may remember this from Emily Eisner's testimony a couple of weeks ago. These are from our 2023 selected initial findings. These two graphs show the distribution of all rental housing in 1993 and again in 2023, with the height of each bar showing the total units at each rent level in 2023 real dollars.

The black bar indicates median rent in these two periods, and you can see that the rents have shifted upward or to the right even after adjusting for inflation over this time. During this 30-year period, the median rent increased from $1,000 to $1,650 per month even after adjusting for inflation.

This chart demonstrates the loss of low-cost units differently. So it's based on the same underlying data. It shows the net increase or net decrease in units of certain rent levels after adjusting for inflation.

In the last 30 years, New York City has experienced a net loss of 600,000 low-cost units. That is defined here as units with rents below $1,500 after adjusting for inflation. About 75 percent of these were in rent-stabilized buildings built before 1974. This graph shows the net decrease among units renting below $1,500 a month, the 2023 median rent-stabilized rent.

It also shows a net gain of units renting for $1,500 per month or more, with the biggest gain in units renting for $5,000 a month or more all the way on the right.

Net loss accounts for the sum of both gains and losses. So at rent levels in the yellow bars, we have experienced a net decrease of these low-cost units despite many new rent-stabilized units the city has financed through its affordable housing programs over these 30 years.

As of 2023, there were still about 500,000 rent-stabilized units with rents below $1,500. These low-cost units are of vital importance to New York City. Every one of those units matters for both current and future tenants.

Next, I'll turn to key measures highlighting the challenges experienced by tenants from our survey. For too many New Yorkers, housing costs represent a disproportionate share of their income. The national standard is that a household is considered rent burdened if they pay more than 30 percent of their income toward rent, and are severely rent burdened if they pay more than 50 percent of their income on rent.

This chart shows the prevalence of rent burden by household income from our 2023 NYCHVS. On the left, we see that a full 86 percent of households earning less than $25,000 are severely rent burdened. On the right, the other extreme, we see that 91 percent of those earning $100,000 or more are not rent burdened.

This rent burden disparity by income is not new and has been consistent across at least our last two survey cycles.

Rent burden is an important marker for a reason. It is associated with a variety of negative short-and-long-term consequences, particularly for low-income households that have limited disposable income.

There is an extensive body of literature that documents the negative impacts of high levels of rent burden. Here, we are showing just three outcomes from our most recent NYCHVS cycles. Rent burden is associated with significantly higher risk of missing rent, of food insecurity, and of inability to pay for a $400 emergency.

Compared to those paying less than 30 percent of income on rent, those who pay between 30 percent and 50 percent of income on rent are 1.3 times as likely to have missed rent in the last year because they didn't have enough money at the time. 1.8 times more likely to be food insecure and 1.5 times as likely to not be able to pay for a $400 emergency.

Not surprisingly, on the right, the association between rent burden and financial insecurity is even stronger for those who are severely rent burdened or paying more than half of their income on rent.

I'll now turn to some key measures

highlighting the challenges among owners. And our analysis of data obtained from the New York City Office of Administrative Tax Appeals, or OATA, which we think complements prior testimony this Board has heard and the RGB staff's own analysis from income and expense.

Because this is a novel data set and our first time presenting this to the Board, I'm going to take just a brief moment to explain the data and how it is similar or different to other data sources the Board has heard about.

We utilize Tax Commission Income and Expense, or TCIE, data obtained from OATA, which are similar in the level of detail to that submitted as part of the Real Property Income and Expense, or RPIE, data that you're familiar with.

As with other income and expense data presented to this Board, this dataset does not include debt service. We match TCIE data to the New York City Department of Finance charges for Homes and Community Renewal, HCR registrations as a proxy for the number of units that are rent stabilized in these properties, and to DOF property data to get basic characteristics such as the year the building was built.

Today, we have limited our focus to the universe of properties with 10 or more units to parallel RPIE data that is represented in the RGB's income and expense study. It is important to note that this analysis is not representative of all rent-stabilized buildings.

It does not include properties that did not appeal to the Tax Commission. It's a very important part of this. And as such, it does not include affordable housing properties, as most have no tax liability and therefore would not challenge their taxes.

Our universe here covers a little more than half of the properties and units in the RPIE analysis DOF data provided to the Board. That is about 10,000 properties and over 500,000 rent-stabilized units. Though not fully representative, it's obviously a pretty substantial dataset.

Most, though not all, of what I will share here today on this universe of properties that were built before 1974 and are 100 percent rent-stabilized. So that's a narrower set.

And for that particular universe that we're going to speak to today, our dataset includes 3,000 properties and about 150,000 rent-stabilized units.

So let's begin with the most recent year of data we have. This is from 2024, which is the same as the RGB reference period for the income and expense study. This table shows the breakdown of itemized expenses for properties that were built before 1974 that are 100 percent rent stabilized.

We are showing the median annual and monthly cost per unit and the percent of the property's total expenses as reported on the TCIE. Property taxes are the largest expense at about 3,400 per unit per year. Next is repairs and maintenance, which comprises 14 percent of expenses at 1,872 per unit per year. We have heard from multiple sources about insurance costs, and I'll speak more to this in a moment. Here, insurance is the third largest expense at 1,408 per unit per year, followed by water and sewer costs at 1,285 per unit per year.

Overall, our data show a typical annual expense of just under 13,000 per unit per year, or 1,079 per unit per month.

We use property data from TCIEs going back to 2017 to examine change over time by each category of expense. This graph shows the median percent increase in cost from 2017 to 2024 for a longitudinal sample of pre-'74 100 percent rent-stabilized buildings that submitted their appeals in every one of those years.

Overall, there was an 18 percent increase in costs for this period, but insurance increased by 95 percent in nominal terms. The rent-stabilized stock is incredibly diverse, even within the pre-'74 100 percent rent-stabilized universe.

We are looking at the distribution of net operating income for these properties, that is, income as a percent above expense, for pre-'74 100 percent rent-stabilized properties. As the RPIE data used in the RGB income and expense study also shows, some properties' expenses are greater than their incomes. So our definition of distress here, similar to RGB staff's, that's to the left.

I will note, however, that while we are showing only pre-'74 100 percent rent-stabilized properties here, our data also show distress in other types of properties, with similar rates of distress for those that are 50 to 99 percent rent stabilized, less than 50 percent rent stabilized, and where there are no rent-stabilized units in the properties.

The typical property in this universe has an income that is 1.36 times that of expenses, and the average is 1.47 times that of expenses. Overall, 89 percent of these properties have a positive cash flow.

Here we are looking at the distribution of expenses for these pre-74, 100 percent properties. We see the median of just under 13,000 per unit per year, or 1079 as we had spoken about a couple of slides ago. From this graph, we can also see the 10th percentile of $822 per unit per month, and the 90th percentile of 1790 per unit per month.

The distribution has a slight skew to the right, meaning that there are some outlier properties experiencing much higher expenses than others.

Here is the income distribution

for pre-74, 100 percent rent-stabilized properties in 2024. The median is $16,310 per unit per year, or 1359 per month. I will note that this is based on income received, not rent charged, so this accounts for vacancies as well as non-payment of rent, which you may also hear referred to as economic vacancy. The 10th percentile is $1,009 per unit per month, and the 90th percentile is 2358.

There is much more substantial skew to the right here with outlier properties that have a higher average rent-stabilized rent, including about 5 percent of these properties that had incomes of more than $40,000 per year in income, which is equivalent to a rent-stabilized average rent of $3,300 per month.

Overall, 86 percent of these pre-74, 100 percent rent-stabilized properties have incomes that is equal to or more than the typical expense, a 1079 per unit per month we saw in the last slide.

Over time, we can examine the year-over-year percent change in each component indexed here to 2017. We are looking at the total expense, again, for pre-74, 100 percent rent-stabilized properties in the green now, which actually is behind the green, but guy in the blue for several of these years.

The pre-74, 100 percent rent-stabilized properties with no commercial space are represented by the blue line. So the green and the blue are the 100 percent rent-stabilized properties, and the only difference is whether there is or is not commercial in those properties.

The light gray here shows all properties in our dataset with one or more rent-stabilized unit, and the dark gray shows properties with less than 100 percent rent-stabilized units, so anywhere from 1 to 99 percent. a

During the pandemic, properties with less than 100 percent rent-stabilized units experienced a substantial drop in income, while the fully rent-stabilized properties experienced slow but stable growth. The TCIE data show that expenses have increased more than incomes for all types of rent-stabilized properties over this time period, with an overall trend that generally tracks together for different property types.

Over this period, 100 percent rent-stabilized properties experienced a cumulative increase in expenses of about 18 percent. We had seen that earlier as well. While properties that had a mix of rent-stabilized and market units experienced a cumulative increase of 15 percent.

I'm going to turn it over to Lucy Joffe for the remainder of the testimony.

MS. JOFFE: Good morning. Now we are going to discuss our takeaways and the city's policy responses to these data. While New York City is incredibly diverse, both in terms of its residents and its housing stock, there are some clear areas of distress that the city and this Board need to consider.

For owners, over the last several years, changes in rent-stabilized income have been slow but steady. The pre-'74, 100 percent rent-stabilized properties were more resilient to pandemic conditions. This stock is, however, experiencing expenses that are increasing quite fast and faster than income, with insurance, for example, as you just heard, increasing at an incredible rate.

Mortgage debt, which is not captured in net operating income, or any of the analysis presented to this Board, may be accounting for additional distress in some pockets of the rent-stabilized housing stock. One of the goals of the 2019 reforms to the rent laws was to address the underlying causes that were contributing to a rapid increase in value among rent-stabilized buildings.

Owners should be able to manage rent-stabilized buildings as a long-term stable investment rather than as a high-stakes gamble, as we saw pre-2019.

For tenants, a large share is already rent-burdened and severely rent-burdened and struggling to pay even current rents. Housing costs are the largest expense for most households and have an outsized impact on financial wellbeing. As rents continue to increase and rent burden increases, they will be even less likely to be able to pay.

Finally, the supply of low-cost housing, particularly rent-stabilized housing, is a vital resource that cannot be replaced. Every unit matters not only for current tenants, but also for its future residents. We, as an agency, have to protect the long-term health of our housing stock while working to offer solutions that help both rent-stabilized owners and tenants.

We have five goals for rent stabilization that drive city policy. Retain rent-stabilized stock, preserve affordability and stabilize the rents, maintaining the quality of the housing stock, ensuring that current rents -- current tenants are secure in their homes and in their neighborhoods, and protecting the benefits of rent stabilization for the future.

The rent-stabilized housing stock is quite diverse, and the distress we're witnessing has varied causes. We need to be thoughtful when considering the best uses of our blunt-as-right tools and the best uses for our more narrowly tailored responses.

Most owners need relief from rising expenses. As we saw from the TCIE data, the largest expense categories are property taxes, maintenance, insurance, and certain utilities. As part of the upcoming housing plan, the first of the new Mamdani administration, we will tackle each of these in turn, looking to offer concrete strategies to lower each of these costs for rent-stabilized and affordable buildings.

If we can reduce rising costs, this will help most buildings. There are some rent-stabilized buildings that are in distress and for which reducing costs will not be enough. These buildings need bigger interventions. The city can and will provide this support and will increase our investment in preservation to move more buildings through our pipeline more quickly.

However, we should address higher levels of distress with more nuanced tools that are designed to specifically meet their needs and requires them to open their books to ensure appropriate public accountability.

Today, the mayor is announcing that the city will step in to lower the cost of insurance for rent-stabilized and affordable housing. This week, HDC is releasing a competitive procurement to hire an independent risk consultant to build the actuarial foundation for the program.

In June, EDC will launch a separate procurement for the entity that will structure and operate it. The insurance program will write policies directly for rent-stabilized and affordable properties, collect premiums, and assume underwriting risk. The goal is to make insurance more affordable for approximately 20,000 homes starting in 2027 and to scale to 100,000 by 2030.

We thank the Board for the opportunity to testify, and we are grateful for your service. We are happy to answer any questions.

CHAIR MITCHELL: Thank you.

Questions from the Board?

Maks?

MR. WYNN: Yeah, first of all, hi, Lucy. Nice to see you.

MS. JOFFE: Good to see you.

MR. WYNN: That's very exciting news on the insurance front. I think we've all been looking for something like that. Could you speak more, though, to the pockets of distressed buildings that you described as, you know, being in distress because of their debt? And what those -- the characteristics of those buildings are? To the extent you have them.

MS. GAUMER: So, hi. Also hi. Lots of welcomes and highs all around. So what we presented today obviously doesn't include debt service, right? So this is analysis of the characteristics of the overall, well, the subset of pre-74 100 percent buildings. We recognize, though, that debt service for some, and particularly some that, right, were in a difficult situation with overvaluation pre-2019, may be in additional trouble, right?

We do not -- I do not currently have data on those properties to provide characteristics, but there's obviously a wide range of stakeholders that have been talking about this with owners, with owner groups, within our own affordable housing stock, and are focusing on what solutions can be developed to serve those needs.

MS. JOFFE: And I will add to that: one other category is there are also some buildings that just rising interest rates, became an issue, and that can be another reason why mortgage debt is causing distress. This is a frequent thing that we deal with in the world of financial modeling, et cetera.

Debt profiles can be really different, and it can be very difficult to generalize about buildings as a result of it. It's not information that tends to be broadly publicly available. But what it does suggest to us is that we have to keep in mind what types of problems we are looking to solve.

And is that the right thing to address through an as-of-right response, or is mortgage debt and challenges with mortgage debt something that is better addressed with more nuance and when you actually can get in and look at the building, which is what we do through our preservation programs.

MR. WYNN: Yeah, I think a follow-up question on that then is can you say more about what thinking is being done about creating off-ramps for buildings that do need to, you know, basically enter an acquisition program at HPD?

MS. JOFFE: Well, I'll speak more generally about preservation. We could talk about acquisition specifically. But as I mentioned, we -- it has been widely discussed that during the pandemic our pipeline did slow down, particularly for preservation, for many of the reasons that the rest of the world was impacted.

We have built back up in terms of staffing and processes to make it easier for people to access our programs. We have updated the website, as it is now easier to navigate yourself. Which program should I be part of? Where do I need to find help? And that is continued work, right? We will continue to invest in that. And I think it's actually -- I'll note, both on the preservation and asset management side is really important.

And we also will be looking to expand our resources that are available for that. We can't yet speak in too much detail. The budget is still being negotiated, as everyone is probably aware. But we do see a good variety of projects coming into our preservation pipeline. Many of them have already -- do already have a regulatory agreement, have worked with the agency before.

Some have a mix, right? It might

be a set of buildings where some buildings previously had a regulatory agreement, and some were just rent-stabilized and had not otherwise engaged with the agency. And then we actually do have a substantial cohort of buildings where they are rent-stabilized, they are looking for assistance, and they want to work with us.

And on a regular basis, those buildings engage with our preservation programs as well, whether it's, you know, for more of a tax relief perspective and using our tax tools to help stabilize financially or where there is greater levels of physical distress, and we are also then working on a scope of physical work. We do prioritize, through our preservation programs, those buildings that are in the most distress and most in need. And that will continue.

CHAIR MITCHELL: Thank you. I want to echo Maks, thank you for this presentation. I don't know if the RGB usually gets breaking policy news, but it's kind of fun. So thank you.

MS. JOFFE: This is breaking data news and breaking policy news.

CHAIR MITCHELL: Yeah.

MS. JOFFE: So we're -- Liz and I are both excited.

CHAIR MITCHELL: Absolutely. Thank you. I really appreciated the slide that showed the distribution of units 1500 and under. And so just to -- I may know the answer to this question, but to test, there's not, even among, like, heavily subsidized city and state new units, yes. There's not, like, a steady, large inflow of new construction in that specific price range, correct? So --

MS. GAUMER: Sorry, you meant up here, citywide, this?

CHAIR MITCHELL: Yes, exactly. This 1500 and under. Like, is that -- so it's really, like, what we've got is kind of what we got, except for --

MS. GAUMER: Thank you. Importantly, this is net change over 30 years. So this, as you know, has been a period of time, right, from the '90s and certainly up through 2023 with multiple successive, very large, historic, affordable housing plans, and the production of new low-cost units, which is also part of this. So despite the addition of that supply, we have just lost that many more units. And so the net result is here.

CHAIR MITCHELL: Thank you.

MS. JOFFE: But I'll add that that is exactly the right question. This is, as Liz pointed out, over the last 30 years, and a lot of the loss was pre-2019. We have done a good job of stabilizing the stock, and we are hopeful that over the next few years, we'll start to see this trend change, because we are adding a lot of units through our affordable housing programs. But the loss was just so great that we're not yet even seeing it in the data.

CHAIR MITCHELL: Thank you. And Elyzabeth, you also mentioned there was some data available on distress rates in properties without any rent-stabilized units. Could you talk about that a little bit because it was interesting?

MS. GAUMER: Sure. And I'm happy to follow up with data as well so that you can see the numbers underlying this. Unfortunately, I don't have a slide in the appendix on it. So when we looked at -- apologies for all of the going back and forth.

So these properties here at the left, these are the distressed properties that we see in the data that we received from OATA. Again, not representative of everything, but it's pretty similar, actually, to what the RPIE analysis showed from a rate of distress perspective. That obviously goes back over time, right? And includes properties with one or more rent-stabilized units.

Here, this is only pre-'74, 100 percent rent-stabilized on the screen, but our data have the full, you know, gamut of all properties that have submitted property tax appeals. And therefore, we can break it out by different proportions of rent-stabilized units.

And we also have some properties in our data that are not part of rent stabilization. They're just solely market residential properties. So we have those rates of distress. They are fairly similar. But we can get you those hard numbers.

CHAIR MITCHELL: Thank you. That'd be great.

MS. JOFFE: And I continue just to

add on. It's not surprising, right? When we see what has gone on over the last few years, the rest of the housing stock is experiencing many of the challenges experienced and is experiencing many of the challenges. So deep impacts related to income during COVID, which, as Liz testified, would have impacted the non-regulated stock, a higher-priced stock, actually a little bit more. And while in some ways that is rebounding, they still have a lot of the same rising costs.

We're seeing this across types of regulated housing and non-regulated housing in New York City, but also when we talk to our colleagues in other in other cities and states, especially the high-cost cities, there are similar challenges that people are having.

And we think that the cost data that we -- expense data that we talked about, and then some of the interventions we're working on are really responsive to those issues. And our focus is on these buildings that are the rent-stabilized and affordable stock, but it is a broader phenomenon.

CHAIR MITCHELL: Thank you.

Other questions from the Board?
Lauren?
MS. MELODIA: Thank you so much. You mentioned, you know, that the importance of addressing the underlying costs for building owners, but also mentioned that for some buildings, trying to control some of their input costs wouldn't be enough to deal with distress. So I was just wondering if you could tease that out a little bit more.
MS. JOFFE: Yeah. This is a city of 3.6 million homes, a million, almost a million rent-stabilized homes. This is a very large and diverse stock. And the way we think about this from a policy perspective is identifying policies that help the majority, but you're never going to be able to solve everyone's problem with a broad-based solution when you're talking about a stock of that size.
So you absolutely need programs to step in when you have folks in outlier situations. And that combination of good policy that's responsive to the majority and really strong and responsive programs that's responsive to people who

need something else.

We think is the right way to deal with this very diverse problem. Our preservation programs are available for folks who are experiencing those additional levels of distress. We have the flexibility in most cases to deal with more tailored challenges. And a wide range of tools, everything from tax relief through subsidy and low-interest loans that we partner with others to provide for folks who are navigating either physical or financial distress.

You know, we recognize that there are some additional requirements that come with working with the city, but this is a significant investment of public dollars, and we want to think strategically and critically about how we use that.

CHAIR MITCHELL: Sina?

MR. SINAI: Yes. I just relate to that point. Thank you again. There's, like, a long tail, I noticed on, like, the expense distribution; there's, like, of course, it gets cut off, like, 5 percent.

I'm wondering if there's, like, patterns that emerge at the long tail in terms of the costs that tend to sort of make up the composition of that. Like because, yeah, it is pretty notable how far right, like, that skews over there.

MS. GAUMER: Sure, yes. It certainly is a long tail. It's an even longer tail on incomes, right? Which I'll note there -- we haven't dug in to look at whether there is any sort of systematic pieces that explain that. And I will say it comes with a word of caution that because we're not using a data set with full coverage, even if we saw some patterns, I don't know that I'd feel comfortable sort of then making a generalization to other properties not in our data.

But that said, I think our preservation colleagues, right, who sort of do the intake on what, by definition is usually properties in that sort of end of the tail of the distribution, may be able to speak to some of that, right? Yeah.

MS. JOFFE: And we did a lot of that work leading up to today's insurance announcement. So we do know anecdotally, people are receiving very wide ranges of insurance quotes;

that some of that is based on their size and there, you know, preexisting relationships with brokers, which is not how we exactly want this to shake out, which is part of the basis of our intervention, but also their own risk history.

So when we see insurance playing such a large role in rising costs, and we know there's wide variability in insurance anyway, that probably has something to do with it. We also know that people emerged from the pandemic with very different circumstances, and there were different levels of deferred maintenance where they were happened to be in their cycle of where they needed upgrades.

So there are a lot of things that we would expect would vary. We have big buildings, small buildings in this data set. We have very old buildings in this data set. One of the defining characteristics, which Liz can talk about, right, is that this -- our rent-stabilized stock tends to be on the older side.

So we would expect there to be a lot of variation, even if, to Liz's point, some of this data doesn't lend itself to -- you know, to parsing it out with precision.

CHAIR MITCHELL: Maks?

MR. WYNN: Yeah, thank you. And thank you both, Lauren and Sina, for kind of teasing out the underlying question about the outliers, because I think that's a really big part of, you know, the story.

I was wondering, and I think we glossed by it earlier, if you could talk a little more about economic occupancy and what you're seeing in terms of collections either within, you know, the HPD subsidized stock or the stock more generally.

MS. GAUMER: So I can start here with what we see, right? That's, I think, a big part of why we pulled this particular graph. So this is obviously going up through 2024, but for me, I think this tells an important story. We're not the only ones who have talked about this. But the idea that, you know, I know you, this Board, has heard testimony about economic vacancy and challenges on that and particularly changes since the pandemic, and where we have seen recovery either more robust recovery or lagging recovery.

But here, I think this is a really important part of this story, which is that these 100 percent rent-stabilized properties, in fact, were much more resilient and continued to collect rents through those exact years where a lot of other residential rents just sort of dropped out from the bottom. Particularly the less than 100 percent rent-stabilized buildings that are at the bottom of this graph here.

MS. JOFFE: I want to call attention to, in case it wasn't clear where I thought you were going with this, is that this is income, not rent levels. So this actually does reflect the rent that they were collecting. We do believe economic vacancy is a challenge across much of the housing stock, not specifically rent-stabilized just -- it has been an issue. People have been talking about it, and we also are following the reports, et cetera.

You know, we think there are a number of factors that play into it. And one of them is the rising levels of rent burden within the stock. Liz testified to the fact that it's not just rent burden for rent burden's sake, but we are seeing that as people's rent burden increases, they are less likely to be able to pay their rent.

So while we can't parse out, you know, what part of it is that, you know, we don't have tenants explaining to us why they are making certain decisions and paying or not paying the rent.

We are seeing that as a growing challenge, and that's certainly an anecdotal conversation on the tenant side, in addition to the owner-side discussion about the very significant impacts of economic vacancy.

It is one of the things that we are thinking about when we think about the right interventions here. Both the importance and significance of retaining some of our low-cost stock, but also where we intervene to help owners or tenants -- what is the impact on the other group? And is this ultimately going to be something that helps to stabilize both?

And that's why we do think things like rising costs, not just because we are Houser's and affordable Houser's, so we think first about how do we keep housing as affordable as we can, but also because both the tenants and the owners win when we're able to lower costs, making it easier to operate low-cost housing successfully, stably, in good quality. That is good for everyone.

So where the city can use its tools, its resources to make that possible, that should always be our first step.

CHAIR MITCHELL: Thank you. Other questions from the Board?

Adan?

MR. SOLTREN: I don't have any other questions. I have, I guess, an ask. By the way, thank you both. Good to see you again.

Well, first and foremost, like, this is a wonderful presentation. And as someone who's been doing this for now, I think, what? This is my 5th year. I'm glad that we finally got it. I'd like to hear more about how you guys decided to pull the OATA data. And because, you know, it reflects the skin in the game, and I think inaccuracy that I really -- I can really appreciate.

The ask that I had, Lucy, you were just mentioning all the preservation programs and things like that. You normally provide a memo or a document listing out all of those programs and brief descriptions of those. I think for the benefit of the Board, it would still be helpful to have a submission like that. Were you planning on providing that?

MS. JOFFE: Absolutely. We can. I have to be honest. I don't know if this is my 8th year. I don't remember that we always do it. But we absolutely -- I'm sure we do, and I'm just having trouble remembering more than a few weeks ago. But yes, we can provide something.

MS. GAUMER: Yeah. We'll coordinate with Andrew and the Board to do that.

MR. SOLTREN: Perfect. I'm just trying to cover all of my bases as well.

MS. JOFFE: Yeah.

MR. SOLTREN: And additionally, I was just speaking with a colleague, and this is outside of the scope of necessarily what you've just presented, but information to the extent you have it on, like, the crisis with the enhanced vouchers and the Section 8 issues that we're dealing with at the department. To the extent that you have additional information about -- about that and the households that might be at risk that would be affected by that change in the context of this, I think that would also help.

MS. JOFFE: Absolutely. We'd be happy to follow up. I'll just say as a general statement the challenges in navigating the budget at the federal level, as well as non-budget issues, has a real and deep impact here on the tools that are available to us. And it requires us to think and be as strategic as possible and really use our resources as effectively as possible. We'd be happy to follow up with more details as soon as we can.

CHAIR MITCHELL: Any last questions from the Board?

MS. GAUMER: May I then just --

CHAIR MITCHELL: Yeah.

MS. GAUMER: -- take one additional moment here to say that we are currently conducting the 2026 New York City Housing and Vacancy Survey, or NYCHVS. I hope that you know what an important and essential data product that is for this Board's decision-making, for the City

Council, right? Regarding extension of rent stabilization and rent control, and obviously used in many other ways.

If anybody listening to this testimony or anybody that has a friend or a family member who has been sampled and selected, if you have not yet completed your interview, please, please give us half an hour of your time to help New York City.

MS. JOFFE: Absolutely.

CHAIR MITCHELL: Thank you for that reminder.

MS. GAUMER: Thank you.

CHAIR MITCHELL: And thank you so much, Liz and Lucy, for your testimony. It was great.

MS. GAUMER: Thank you.

MS. JOFFE: Thank you.

CHAIR MITCHELL: All right. And now we will transition to hear from Deputy Commissioner Anthony Tatano from New York State Homes and Community Renewal. Welcome to Anthony. All right, wonderful. I think we'll go ahead and get started.

Welcome, Anthony.

MR. TATANO: Hello? Okay. Good morning. My name is Anthony Tatano, the Deputy Commissioner for the New York State Homes and Community Renewals Office and Rent Administration, also known as ORA.

On behalf of State Housing Commissioner Ruth Anne Visnauskas and our staff at ORA, let me extend our sincere thanks to your willingness to serve the people of the City of New York.

Before I begin, please allow me to introduce you to some of my colleagues at ORA who are with us today. April Gray Wartaus, Bureau Chief of the Property Management Bureau, and Michael Barrios over here, Executive Assistant to the Deputy Commissioner, who works closely with the Guidelines Board year after year, is responsible for putting our reports together.

Chairperson Mitchell and members of the Board, I thank you each of you for your opportunity to provide you with an update on the recent activities at ORA and for allowing us to be part of the process.

As you know, ORA oversees the state's rent regulation programs to help keep housing affordable for tenants while ensuring fair practices for property owners. We strive to ensure that both tenants and owners know what their rights and responsibilities are, allowing for tenants and owners to contact us if the need arises.

Since appearing before the Board last year, ORA has continued to improve the ease and efficiency of our service platforms. This includes multi-language translation assistance, online application filings, quick access to individual case and rent records, and more transparent reporting mechanisms.

Some highlights over the past year include that we attended many community forums to provide information to both tenants and owners regarding our policies and procedures. We've also provided approximately 5,000 rental histories to tenants each month, around 60,000 in 2025. We continue to reduce case processing timelines for overcharged cases, service reduction cases, and major capital improvement cases.

We've also worked very closely

with the New York City Department of Housing Preservation Development (HPD), Department of Buildings, Department of Finance, the Mayor's Office of Special Enforcement, Department of Social Services, Department of Homeless Services, and the Human Resources Administration to assist in the administration of their programs.

Over the last year, we've also included our public transparency. We have a new rent registration dashboard where you can view a map of every building with registered apartments, see registrations by county, check how quickly registrations were submitted to us, find out how many apartments are occupied, vacant, or temporarily exempt as of April 1st each year.

You can also look up the number of registered apartments and median rents by New York State Assembly and Senate District.

On our transparency page, we include monthly case processing data, key metrics, appeal decisions, and our individual apartment improvement report.

Looking ahead, I want to reassure New Yorkers and the members of the Rent Guidelines

Board that ORA will continue to provide our day-to-day services and operations. Thanks to our dedicated employees and our relationship with housing stakeholders, ORA will continue to be a strong partner you can rely on.

On behalf of Commissioner Visnauskas and the entire team at HCR, I wish you success in your deliberations and offer you ORA's continued support and cooperation. Thank you.

CHAIR MITCHELL: Thank you. Questions from the Board?

(No response.)

CHAIR MITCHELL: Well, thank you so much for the responses you provided. I did have one question. In the response about non-rental income and I think it was specifically about fees.

MR. TATANO: Okay.

CHAIR MITCHELL: There was not a kind of, I guess, routine way to collect that information about fees that tenants might be paying, but is there any way to glean that from lease renewals or anything to see the types of fees that tenants have --

MR. TATANO: Unfortunately, we

don't receive lease renewals from tenants. So anything that we report is based on our rent registration.

CHAIR MITCHELL: Got it.

MR. TATANO: So we don't have it readily available to us.

CHAIR MITCHELL: Oh, yes, Andrew?

MR. MCLAUGHLIN: Yeah. So one of the Board members had to leave, but I wanted to ask. So can we get data? We didn't request it, but can we get data on the number of vacant units that were registered by owners?

MR. TATANO: Sure. I believe so, right, Mike? Yeah. Yeah. Not a problem.

MR. MCLAUGHLIN: Okay.

MR. TATANO: I'll get that to you.

MR. MCLAUGHLIN: So, yeah, so I'll put in a request for Michael.

MR. TATANO: Yeah, no problem.

MR. MCLAUGHLIN: Okay.

CHAIR MITCHELL: Other questions from the Board?

Yes, Sagar?

MR. SHARMA: Would it be possible

for DHCR to know the data from the reports from the landlords on how many landlords and rent-stabilized units receive 610 financing? In the sense that, I'm not sure if that's a form that they fill out or if that's a top box that we need to do.

MR. TATANO: Oh, there was additional questions that we received a couple of weeks ago, and we're working on providing that to you. So yes, we will. It was the -- a lot of stuff about electrification and the 610 amendment, so we are working on that. We'll get that back to you shortly.

CHAIR MITCHELL: Great. Thank you.

Adan, I think you also had a question?

MR. SOLTREN: No. It was just about actually the 610 and then also the electrification modification questions that we had asked later. Right. But my understanding is that they should be -- the answers should be coming.

MR. TATANO: Yes, shortly. Yes.

CHAIR MITCHELL: Great. I know everyone is flipping through their --

MR. TATANO: That's all right.

CHAIR MITCHELL: Any other questions from the Board? Yes.

MR. MCLAUGHLIN: You can follow up to me.

CHAIR MITCHELL: Yeah.

MR. MCLAUGHLIN: So you're getting a lot more people registering their units.

MR. TATANO: Yes.

MR. MCLAUGHLIN: Can you talk a little bit about what's happened over the last three to four years that have increased the unit registration?

MR. TATANO: What happened in 2024, there was a new law put on Board where the owners were penalized, and they filed late registration. So we created a late registration unit at ORA, which started looking back from 2019 going forward.

And what we found is when there is a penalty associated for being late, owners now comply a lot more. As you can see the numbers -- you know, as you can see the numbers, they've increased tremendously because we only said. We went for 24, 25, and going back to 2019, going up.

So you'll see some of the numbers all of a sudden jump dramatically. As a matter of fact, I think Mike was telling me a story that the Department of Finance had said to us, because we give our information to Department of Finance, who then charge owners the rent stabilization fee. They said, "Are you sure you got this right? Because there's a lot more that's coming in now because we're reporting a lot more."

So yes, that has been a tremendous help. And like I said, it's about 200,000 more than we normally have.

CHAIR MITCHELL: Wow.

MR. TATANO: And going up.

CHAIR MITCHELL: Well, if there are no more questions from the Board, thank you so much. We appreciate your testimony.

MR. TATANO: Thank you.

CHAIR MITCHELL: And we'll look forward to those.

MR. TATANO: Yes. And we appreciate your work. You know, I watch the guideline Board meetings all the time.

CHAIR MITCHELL: Oh, good.

MR. TATANO: And -- I do. You have a very difficult job. Very difficult job. I wish you luck.

CHAIR MITCHELL: Thank you. I appreciate that.

MR. TATANO: Anything we can do to help you, we will. Thank you.

CHAIR MITCHELL: Thank you.

MR. TATANO: Thank you.

CHAIR MITCHELL: Thank you. All right.

And now, last but certainly not least, we will transition to our last presentation. And I'd like to welcome the members from the Center on Poverty and Social Policy at Columbia University, the School of Social Work. We'll invite Schuyler Ross, Ryan Vinh, and Daniel Salgado.

MR. SALGADO: Hi, good morning. My name is Daniel Salgado. I am a research analyst at the Center on Poverty and Social Policy at Columbia University. I am joined here today by my colleagues, research analyst Ryan Vinh and Data

Manager Schuyler Ross.

We'd like to start out by thanking the chair, Chantella Mitchell, and the rest of the Board for the opportunity to present recent findings from the Poverty Tracker on tenants and rent-stabilized housing.

So some background. The Poverty Tracker launched in 2012 in partnership with the Robin Hood Foundation with the goal of painting a more comprehensive picture of the dynamics of poverty and other forms of disadvantage in New York City.

One of the ways the Poverty Tracker does this is by calculating income poverty using the supplemental poverty measure, or SPM. In contrast to the official poverty measure, the SPM is an improved measure of income poverty as it uses a fuller accounting of the resources that families have at their disposal.

In addition to income poverty, the Poverty Tracker collects information on other multidimensional measures of disadvantage, namely in the form of reported experiences of severe material hardships and health problems. We will expand on the three forms of disadvantage explored further on.

Lastly, the study's longitudinal design allows a Poverty Tracker to report on New Yorkers' experiences with poverty, material hardship, and health problems over time. This enables us to also study the impact of policy interventions and how other life events shape these experiences with disadvantage.

The Poverty Tracker survey is a representative sample of New Yorkers. Notably, the study surveys the same New Yorkers for multiple years, collecting information at multiple time points on the three forms of disadvantage and other key economic indicators. Under this longitudinal design, over 3,000 households are surveyed every four months or up to three times a year for up to seven years.

The Poverty Tracker collects detailed data on housing from this representative sample of New Yorkers. Overall, respondents are asked about their housing situation. If the respondents are renters, they're also asked if they live in rent-stabilized or rent-controlled housing, public housing, or other rental housing.

And while we group rent-controlled and rent-stabilized housing within this follow-up question, the vast majority of rent-regulated housing in New York City is rent-stabilized. Rent-Controlled apartments only account for 1 to 2 percent of rental housing in New York City, thus representing a very small portion of our sample.

With this information, we can hone in on the experiences of New Yorkers living in rent-stabilized housing and how they are faring. From this analysis on the experiences of disadvantage among New Yorkers living in rent-stabilized housing, a key finding that we will talk about next is how rent stabilization is a unique and underappreciated anti-poverty tool.

We will also report on the elevated rates of material hardship and the high levels of rent burden that these New Yorkers experience, even with rent stabilization.

Finally, we will detail some of the changes tenants in rent-stabilized housing have been forced to make to cope with the rising cost of living.

And I'll now be passing it on to Ryan.

MR. VINH: Great. Thank you so much, Danny, and thank you so much to the Board for inviting us to present today. So as Danny mentioned, one thing we really want to highlight today is the role rent stabilization plays as a unique and underappreciated anti-poverty tool in the city.

Here at the center, we focus a lot on measuring poverty and understanding the role of social policies and bringing people above the poverty line. And so we want to present here on the role rent stabilization plays in that context.

So before we dive into rent stabilization as an anti-poverty tool, it's first important to go a little bit more in depth about how poverty is measured in the Poverty Tracker.

So as some of you may be familiar, the Census Bureau actually produces two measures of poverty each year, one being the official poverty measure and one being the supplemental poverty measure, which has now sort of been elevated to be the headline poverty statistic.

And among other changes, it improves upon the official poverty measure by first accounting for the value of taxes and non-cash transfers in family resources. So unlike the OPM, which is focused on pre-tax income and understanding a family's poverty status, the supplemental poverty measure will actually account for the role the tax system plays, such as child tax credits, as well as non-cash transfers such as housing vouchers, in determining a person's poverty status.

Additionally, the SPM accounts for differences in costs of living by geography. I think, as everyone in the room is aware, New York City is a very high-cost-of-living place to live, and so the SPM allows us to adjust to some degree for the higher cost of living in New York specifically.

And so just for reference, in 2025, the SPM poverty line for a two-adult, two-child family living in rental housing in NYC was just over $50,000. And as I think many would recognize also, this number is quite low. And so another metric that we look at as well is determining families that we describe as low income or around 200 percent of the SPM poverty line.

So, as I mentioned earlier, the SPM accounts for the value of different types of social programs and policies in affecting a family's resources. And so we recognize that rent stabilization has an implicit value in this context that can be conceptualized as the difference between what a rent-stabilized tenant actually pays and the estimated value of their housing needs. And this is something we base on the poverty threshold as well as fair market rents.

And so at a high level, what we do in our methodology is we estimate and then add this value to rent-stabilized tenants' resources when determining their poverty status. And what this actually allows us to do is remove this value to measure the extent to which rent stabilization keeps tenants above the poverty line.

And so here's an example of a simplified valuation. So let's say you have a renter living in a rent-stabilized one-bedroom apartment reporting a monthly rental contribution of $2,000. We would then compare this to the fair market rent produced by the U.S. Department of Housing and Urban Development, which in New York City, 2024 was $2,260.

We would then take the difference between these values. So we would subtract that $2,000 from the fair market rent and arrive at a value -- a monthly value of $260, which we would then add to a renter's resources and would be -- we actually add the annualized amount, which would be in this context $3,120 for the year.

One thing that's important to note here is that this is somewhat of a simplified example evaluation. So we will actually cap the amount that can be added to a family's resources based on the shelter and utility share of the poverty threshold, and we're happy to go into that further. But this is sort of a conceptual example of how this process is done.

So I would like to direct your attention to Figure 1A. So this is the SPM poverty rate by tenant type. And as you can see, poverty among tenants in rent-stabilized and market-rate units appears relatively comparable. But it's important to actually note here that this rate --

this poverty rate of 27 percent for rent-stabilized tenants and 29 percent of market-rate tenants. That 27 percent is actually already accounting for the value of rent stabilization. And this is the value we use when we publish our annual poverty statistics in New York City.

But importantly, if we actually look at what these tenants' poverty rate would be without the value of rent stabilization, you actually see that poverty among these tenants would be substantially higher, around 9 percentage points higher, absent the value of rent stabilization. And this would represent roughly 140,000 more adults and children in poverty, absent the value of rent stabilization. So here, you can see the important role that rent stabilization can play in actually keeping tenants above the poverty line.

Importantly, however, for a number of reasons, and as I mentioned, because the value of rent stabilization is sort of capped based on the level of need captured in the poverty threshold, it actually, even after accounting for the role of rent stabilization, when we look at that more expanded definition of income or low income, that 200 percent of the SPM threshold, you'll actually see that even when we're accounting for the role of rent stabilization, over two-thirds or 67 percent of rent-stabilized tenants would still be considered low income.

So again, this is pointing to the fact that even after accounting for the value that this is providing, a significant majority of tenants in rent-stabilized housing would still be considered low income.

And so to kind of build upon this, as Danny mentioned, the Poverty Tracker not only tracks poverty, but also a range of other measures of a disadvantage in hardship. And so the next thing we want to discuss is the fact that rent-stabilized tenants continue to experience high rates of material hardship even after rent stabilization.

So again, it's important to look at how hardship is measured in the Poverty Tracker. And so we actually measure this across five domains, including food, housing, bills, financial, and medical hardship. And so we define severe medical hardship as facing any of these forms of hardship.

And so this includes things like running out of food often, or often worrying that food will run out before having enough money to buy more, having utilities cut off due to a lack of money, and things like not being able to see a medical professional due to cost. So what this measure is doing is trying to capture a more holistic view of the different types of hardship that New Yorkers experience on a monthly or annual basis.

So when we look at these severe material hardship rates among rent-stabilized tenants by income, you'll notice that in general, over one in three, or 34 percent, of rent-stabilized tenants face some form of material hardship. And as you might expect, these rates are even higher for those that are low-income, at around 38 percent.

And you'll also notice that even those that are above 200 percent of the SPM threshold, while there is somewhat of a drop-off in the rate of hardship that these tenants face, it's still quite high in terms of one in four tenants facing this kind of hardship.

And again, just to put that into context, this is over one in three rent-stabilized tenants maybe running out of food often, not being able to meet the needs of their bills each month, having utilities cut off. And so this is really representing substantial experiences of disadvantage.

In addition, we also track other forms of hardship, some of which aren't captured in that severe material hardship measure. So I just wanted to highlight a few here related to financial hardship. And so in both of these bars here, you'll see that 22 percent of rent-stabilized tenants did not pay the full amount of rent in the past 12 months because of financial problems, and 25 percent did not pay the full amount of phone, gas, oil, or electricity bills in the past 12 months because of financial problems.

So again, this is highlighting the fact that rent-stabilized tenants are experiencing elevated rates of financial hardship, and this is showing that around one in four are actually struggling to pay the full amount of their rent and monthly bills.

And yeah, with that, I'd like to pass it off to my colleague Schuyler to discuss the role of rent burden in this presentation.

MR. ROSS: Thank you, Ryan. Everyone here? Okay.

So just to take stock of where we've been so far, we started by looking at the positive impact of rent stabilization as an anti-poverty tool, and then took a look at how, in spite of this, there are still high rates of hardship among a lot of rent-stabilized tenants.

And in this final leg of the presentation, I'm going to focus on the question of affordability, which is a key problem that has emerged for people in rent-stabilized housing for the broader population of New Yorkers over the past few years.

And we're going to get at this in a couple of ways. The first way we're going to look at affordability is housing affordability, and specifically with the measure of rent burden, which I'm sure many of you are familiar with. The common way of defining rent burden is 30 percent, a threshold of 30 percent.

So if someone is spending less than 30 percent of their total income on rent, then they're considered not rent burdened. If it's 30 percent or more of their income on rent, then they are rent burdened. And using the Poverty Tracker data, we can actually hone in on this for the rent-stabilized population.

So as you can see on this slide, rent burden is pretty pervasive among rent-stabilized tenants. The total rate among all rent-stabilized tenants from on average 2022 to 2024 was 43 percent. But when we zero in on those below the poverty line, it jumps up to 80 percent for people who are low income; 1 to 200 percent of the poverty line is 45 percent. So clearly a lot of rent-stabilized tenants struggling with rent burden, and in fact, more than 60 percent of rent-stabilized tenants are in these two lower-income groups.

So I think that the takeaway here is that even though rent stabilization is a very useful tool for increasing the affordability of housing, many people in rent-stabilized housing still spending a large portion of their income on rent. So that's rent burden.

The other way we want to look at affordability is broader affordability concerns. You know, we know that inflation and increasing cost of living have affected all sectors of society over the past few years, from housing to transportation to entertainment. And so we wanted to get at this in our Poverty Tracker sample.

And so starting in 2024, we began asking respondents about responses they had made to increased cost of living. And again, we'll present some targeted responses for rent-stabilized tenants here.

So you can see on this slide, the Poverty Tracker asks about four key areas where inflation concerns have been prevalent and where people may have made behavioral changes. And this slide shows that responses to inflation have been pretty widespread among the rent-stabilized population.

So 62 percent of rent-stabilized tenants cutting back on the amount or quality of food they bought, 54 percent minimizing electricity usage, almost 60 percent minimizing their use of transportation, and 60 percent reducing the amount they put in savings.

And then if you direct your attention to the blue bars, you can see that over 80 percent of rent-stabilized tenants made at least one change in response to inflation over the past couple years, and almost 70 percent had to make multiple changes.

Again, so, you know, this showing that rent stabilization is clearly an effective anti-poverty tool, a cost reduction tool, but costs in other sectors continue to remain high and continue to affect people living in rent-stabilized housing.

All right. And so with that final slide, I will try to bring it home. So in this presentation today, we started out by looking at rent stabilization, the positive impact of it, as a unique and underappreciated anti-poverty tool. Ryan showed that on average, over the past three years, it helped to lift around 140,000 New Yorkers out of poverty each year.

But then we turned to focusing on

how, despite the fact that rent stabilization is an effective tool, there's still high levels of hardship that plague many of the tenants living in this type of housing. Over 60 percent of them are low-income, and over a third of them experience at least one form of severe material hardship in each year.

We looked at rent burden, which is pretty pervasive; 43 percent of the rent-stabilized population facing rent burden, and then we concluded by looking at the broader impacts of inflation and cost of living and saw that the vast majority, over 80 percent of rent-stabilized tenants, had to make some adjustments in areas like food and transportation.

So yeah, that is our presentation. Thank you for giving us the time to testify today. We hope that you will consider all this data as you enter deliberations around the rent rates in the coming weeks and months, and we'll open it up to any questions.

CHAIR MITCHELL: Thank you.

Questions from the Board?

I have one kind of question slash

comment about the last slide on reported changed behavior. This is really helpful to me because I think on both the building and the tenant side, we get a lot of data about how much things cost and cost indices but not a ton on how people are resilient to those changes in cost and how their behavior is actually changing. So I'm curious of the types of questions you ask or if people provide any color on the changes that they're making.

MR. ROSS: Yeah, so the questions we ask are these like four gray bars. We pretty explicitly ask these things, like, we ask in the past 12 months, I think is the look-back period, "Did you have to cut back on the amount or quality of food bought in response to increased prices?" "In the past 12 months, did you have to minimize your electricity or utility usage in response to increased costs?"

We actually have five questions total. The only one we didn't put here was, "Did you reduce your consumption of entertainment?" And we didn't put that because that's not as essential of a good, and that one has even higher rates. I think it's around like 80 percent just for that individual one.

You know, as far as additional questions, we don't have a lot of color on this in our survey data, but we do conduct some qualitative interviews like to supplement the Poverty Tracker data, and there we can sort of dig in on individuals' experiences with cost of living and have done so, and we can try to get you some of that more anecdotal data if you're interested.

CHAIR MITCHELL: Thank you.

MR. VINH: Yeah, and the one other thing I would just add is that we actually released a report on food security in November of last year, and that report is actually highlighting in a dollar amount sort of the monthly food budget shortfall of families, so we do have some other data that can contextualize, and we're happy to send that along to you as well.

CHAIR MITCHELL: Thank you, that'd be great.

Sina?

MR. SINAI: Yeah, very related to that. I was wondering if you asked your participants in the survey questions about savings and runway, like kind of months' savings, to get kind of quantify the cushion, because you know, and if there's like, yeah, just like the marginal fluctuations, it would be great to kind of tease that out if that's available in the data set, but yeah, thank you so much.

MR. ROSS: Yeah, we do have a few things. We forgot what the first one I was going to say was, but we have a detailed module about assets and debts where we sort of try to get at, yeah, the amount of money people have in savings and in different assets, and we published a few reports with that, and we can try to get some of that to you if you're interested.

We also ask these like sort of standard emergency expense questions, so if you had to spend $400 on an emergency expense, could you afford that? And then if you had to spend $1,000, could you afford that? We ask those on all of our annual surveys, so we could get you that data as well.

CHAIR MITCHELL: Lauren?

MS. MELODIA: Thank you so much for this presentation. As experts on social policy in New York City, I'm curious if you all have -- I don't want to say projections, because that might be quantifying things too much, but perhaps a perspective on what to anticipate in terms of rates of poverty in New York City in the next year or two, given changes to SNAP and Medicaid, as well as the fact that the city is putting work requirements back on cash assistance this year for the first time since the pandemic.

MR. VINH: Yeah, that's a great question, and something that we're actively trying to model moving forward. We don't necessarily have full numbers just yet, but as you mentioned with these additional work requirements and kind of administrative burden on these programs, we're expecting large numbers of people to be brought back into poverty.

In our most recent annual report, actually, we had a spotlight on the role and importance of SNAP in bringing New Yorkers out of poverty, and we did provide some preliminary estimates there on the amount of New Yorkers we might expect to be thrown back into poverty with these changes to SNAP, holding all else equal, so that's still not even accounting for these changes to Medicaid and cash assistance that you mentioned.

I don't have those numbers off the top of my head, but I'm happy to share those with you as well.

CHAIR MITCHELL: Other questions?

Maks?

MR. WYNN: Yeah, I just have one, and it actually kind of layers over all the other questions, but do you have geographic data on any of these, so both in terms of poverty savings and particularly utilities? I think it'd be really helpful to have some geographic specificity.

MR. VINH: Yeah, that's a really good question, and while we do have a pretty large sample, it does get a little bit more difficult as we try to filter down to, for example, rent-stabilized tenants in the Bronx or something to that effect. I think that's something we can definitely check on, though, in terms of what sample we might have to be able to provide some of those geographic estimates, but for example, in our annual report, we do provide borough-level poverty rates.

So even though those aren't specific to rent-stabilized tenants in the Bronx or Queens, for example, they can provide a general picture where, as you might expect, we see elevated rates of hardship and poverty in the Bronx compared to Manhattan, for example, but yeah, that's definitely a question we can also investigate.

CHAIR MITCHELL: Brandon?

MR. MANCILLA: This is not really a question, but I mean, in other presentations, you know, the breakdown is very much like pre-'74, post-'73. I know you guys don't really engage with that, but from other presentations, I think we can put together that more low-income near-poverty line tenants are in those pre-'74 buildings, but if you have any data that could maybe signal to those trends, that would be helpful.

MR. VINH: Yeah, unfortunately, we don't ask tenants, you know, what kind of buildings they're living in, so we're not able to differentiate between the pre-'74 and post-'74 question. We do have some address data, maybe, that we could try to explore, but yeah, unfortunately, I think our ability to answer that question is more limited. Yeah.

CHAIR MITCHELL: So, thinking back to the first presentation of the Income and Affordability Study and the fact that you all track over time, I'm curious if you see -- are able to see any things around retirement or like periods of maybe unemployment or different types of income experiences. Like, are you able to kind of see how people, I guess, move in and out of poverty?

MR. VINH: Yeah, so that's a great question. So, due to the longitudinal design of the Poverty Tracker, we are able to track outcomes over time, and we did actually release a recent report on the persistence of poverty, so the extent to which people are moving back and forth above the poverty line.

I believe the stat that we have for that is -- it's around 50 percent of people in like the last three years are in poverty, and those that exit, about half are likely to fall back into poverty in a period. So, again, I'm happy to share that data more specifically with you.

And actually, Lauren, to your question, I was able to pull up the projected number of New York City's residents being pushed into poverty due to the SNAP cuts in the recent federal bill. And we actually project that roughly 70,000 New York City residents would be pushed into poverty each year between 2028 and 2034. Although again, this is before accounting for those other cuts to other programs, so this is likely an underestimate.

CHAIR MITCHELL: Thank you.

Other questions from the Board?

(No response.)

CHAIR MITCHELL: This is wonderful. Thank you all so much. We really appreciate it.

MR. VINH: Thank you so much for your time.

CHAIR MITCHELL: All right. So, now we will move into -- any further discussion from the Board?

Yes, Andrew?

MR. MCLAUGHLIN: Yeah, just a couple of things. So, next week is an all-day meeting. We provided a menu for you in your folders. If you haven't handed it in yet, you can give it to me.

Secondly, just to clarify, we are hearing folks that are representing owners in the morning session of our meeting and tenants in the afternoon session, so.

CHAIR MITCHELL: Thank you. All right. If no other discussion, motion to adjourn?

MR. WYNN: Second.

CHAIR MITCHELL: Second? Great. We are adjourned. Thank you.

(Whereupon, the meeting was adjourned.)

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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 115, 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 10th day of August, 2026.

Marc Russo

MARC RUSSO

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