



**New York State Senate Standing Committee on Housing,
Construction and Community Development
Public Hearing: Rent Regulation and Tenant Protection Legislation**

**Testimony Submitted by Laura Mascuch, Supportive Housing Network of New York
May 16, 2019**

My name is Laura Mascuch and I am the Executive Director of the Supportive Housing Network of New York, a membership organization of approximately 200 nonprofit developers, owners, and providers of supportive housing statewide. Collectively, there are 52,000 units of supportive housing in the state and 32,000 in New York City. Supportive housing represents a critical tool to end homelessness, offering permanent housing solutions with wraparound social services for homeless individuals and families with special needs.

Supportive housing is permanent, affordable housing in which a range of support services are available. It provides low-income, disabled and formerly homeless people the help and support they need to stay housed and live independent, healthy and fulfilling lives. There are two types of models of supportive housing: single site residences, in which at least half the apartments are set-aside for formerly homeless disabled people and have offices for on-site social service staff ; and scattered site supportive housing, in which nonprofits rent apartments in the private market and provide wraparound social services to enable tenants to maintain their housing.

Thank you to Senator Kavanagh for sponsoring and advancing a bill (**S.03703**) this session that would provide rent stabilization for nonprofit housing providers for new scattered site supportive housing units. The Network supports this proposal if the bill can be amended to ensure not only

new, but also existing scattered site supportive housing units are protected by rent stabilization. If the legislation were to be enacted as is, only new leases would be impacted. Meanwhile approximately 14,000 disabled/formerly homeless households living in existing scattered-site units in NYC would remain unprotected by rent stabilization and hence left very much at risk.

Currently, once nonprofits lease rent-stabilized apartments on behalf of vulnerable tenants, these scattered site apartments temporarily lose their stabilized status. Landlords are able to charge significantly higher rents to the nonprofits and are able to effectively displace tenants through non-renewal of leases after as little as one year. This loophole results in significantly higher costs to provide housing for the most vulnerable, significant trauma to the already fragile tenants and significant resource drain for nonprofits who must continuously work to secure new viable apartments they can afford under their government contracts. The tenants of supportive housing include individuals living with mental illness, veterans, and families that have survived domestic violence. Being uprooted year after year can inhibit these individuals' and families' ability to flourish and find long-term stability.

The 14,000 existing scattered site apartments in New York City are in grave danger due to unregulated rent increases and frequent non-renewal of leases, which are effectively "evictions" of vulnerable tenants without cause. Further, these apartments are in danger of being lost to rent regulation rolls entirely: once nonprofits lease the apartments and they exit rent regulation, there is a high risk that the units will never re-enter the system and return to the rent-regulated stock. The system for ensuring that the apartments return to rent-regulated status is based entirely on self-reporting – that is, landlords are expected to re-register these apartments as rent-regulated voluntarily. New York City's high-value rental market does not incentivize property-owners to

do so. The best safeguard against this risk would be to ensure units do not exit rent stabilization in the first place.

In addition to raising stagnant scattered site contract rates, strengthening rent regulations to protect nonprofit housing providers and their tenants is a crucial strategy to save the homes of 14,000 vulnerable New Yorkers who would otherwise be in shelters, institutions, or on the streets.

While the current proposed legislation will ensure future nonprofit scattered-site contracts remain under rent stabilization, we offer the attached friendly amendments.

We are proposing to:

- Extend rent regulation status to existing units upon lease renewal; and
- Apply to nonprofit supportive housing scattered site providers providing permanent housing programs with services to formerly homeless vulnerable residents or residents with disabilities

As you know, we are currently experiencing the worst crisis of homelessness that New York State and specifically New York City has ever seen. Across the state, there are 92,000 people including nearly 30,000 children living in shelters or on the streets at a single point in time. In New York City, over 60,000 vulnerable New Yorkers are currently sleeping in city shelters, because these individuals and families cannot secure a permanent home.

Strengthening rent regulations for this particular model will help combat this homelessness crisis. With rent regulations a clearly stated priority of the Governor, Assembly, and Senate, the

time is ripe to pass legislation that protects nonprofit housing providers and the vulnerable New Yorkers they serve.

Thank you for the opportunity to testify.

STATE OF NEW YORK

3703

2019-2020 Regular Sessions

IN SENATE

February 13, 2019

Introduced by Sens. KAVANAGH, KRUEGER, SEPULVEDA -- read twice
and ordered printed, and when printed to be committed to the Committee
on Housing, Construction and Community Development

AN ACT to amend the emergency tenant protection act of nineteen
seven-ty-four, in relation to not-for-profits' use of certain
residential dwellings

The People of the State of New York, represented in Senate and
Assem- bly, do enact as follows:

1 Section 1. Paragraphs 10 and 11 of subdivision a of section 5
of
2 section 4 of chapter 576 of the laws of 1974, constituting the
emergency
3 tenant protection act of nineteen seventy-four, paragraph 11 as
amended
4 by chapter 422 of the laws of 2010, are amended to read as follows:
5 (10) housing accommodations in buildings operated exclusively
for
6 charitable purposes on a non-profit basis except for permanent or
tempo-
7 rary housing accommodations with government-contracted services
provided, as of and after the effective date
8 of the chapter of the laws of two thousand nineteen that amended
this
9 paragraph, to vulnerable individuals or individuals with disabilities
individuals who are or were homeless or at risk of home-

10 lessness; provided, however, that terms of leases in existence as of
the
11 effective date of the chapter of the laws of two thousand nineteen
that
12 amended this paragraph, shall only be affected upon lease renewal ~~not~~
~~be affected~~, and further provided that
13 upon the vacancy of such housing accommodations, the legal
regulated
14 rent for such housing accommodations shall be the legal regulated
rent
15 paid for such housing accommodation by the prior tenant, subject only
to
16 any adjustment adopted by the applicable rent guidelines board;
17 (11) housing accommodations which are not occupied by the tenant,
not
18 including subtenants or occupants, as his or her primary residence,
as
19 determined by a court of competent jurisdiction. For the purposes
of
20 determining primary residency, a tenant who is a victim of
domestic
21 violence, as defined in section four hundred fifty-nine-a of the
social
22 services law, who has left the unit because of such violence, and
who
23 asserts an intent to return to the housing accommodation shall be
deemed
24 to be occupying the unit as his or her primary residence. For
the

EXPLANATION--Matter in italics (underscored) is new; matter in
brackets

[-] is old law to be omitted.

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1 purposes of this paragraph, where a housing accommodation is rented
to a
2 not-for-profit hospital for residential use, affiliated
subtenants
3 authorized to use such accommodations by such hospital shall be
deemed
4 to be tenants. For the purposes of this paragraph, where a
housing
5 accommodation is rented to a not-for-profit for providing, as of
and
6 after the effective date of the chapter of the laws of two
thousand
7 nineteen that amended this paragraph, permanent ~~or temporary~~ housing
to
8 individuals who are or were homeless or at risk of homelessness,
affil-
9 iated subtenants authorized to use such accommodations by such not-
for-
10 profit shall be deemed to be tenants. No action or proceeding shall
be

11 commenced seeking to recover possession on the ground that a
housing
12 accommodation is not occupied by the tenant as his or her primary
resi-
13 dence unless the owner or lessor shall have given thirty days notice
to
14 the tenant of his or her intention to commence such action or
proceeding
15 on such grounds.
16 § 2. This act shall take effect immediately; provided, however,
that
17 the amendments to paragraphs 10 and 11 of subdivision a of section 5
of
18 the emergency tenant protection act of nineteen seventy-four made
by
19 section one of this act shall expire on the same date as such
act
20 expires and shall not affect the expiration of such act as provided
in
21 section 17 of chapter 576 of the laws of 1974, as amended.