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## **SRO RENTS SHOULD NOT INCREASE**

Testimony of  
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**Rent Guidelines Board  
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Good afternoon, Chairman and members of the Board. Thank you all for once again inviting us to speak to you about rent increases and the tenants of New York City's Single Room Occupancy (SRO) units. My name is Jon Burke. I am the staff attorney for the East Side SRO Law Project at MFY Legal Services, Inc.

For over 20 years, MFY's East Side SRO Law Project has served the City's community of low-income SRO tenants. The Project represents hundreds of SRO tenants, from all over the City, each year, and provides advice to hundreds more.

On behalf of the SRO community, we respectfully ask the Board not to increase SRO rents for the coming year. Most SRO tenants live on fixed incomes far below the poverty line. As a population, they cannot afford a rent increase. SRO owners, for their part, cannot establish any compelling need for an increase. While a rent increase may provide SRO owners with marginal additional income, any increase, no matter how small, will cause hundreds of SRO tenants to become homeless, stressing an already overburdened system and costing taxpayers millions of dollars.

### **SRO Housing Is Shelter of Last Resort**

SRO housing is shelter of last resort. The rooms are small: three feet by nine feet, and even smaller, in some cases. The conditions are often shockingly poor.

SRO units are disappearing quickly, depriving the City of a vital form of housing. As property values in formerly low-income areas continue to increase, owners are employing every lawful, and unlawful, means at their disposal to empty their stabilized units, and convert them into unregulated, or "temporarily exempt," stock. In order to drive permanent tenants out, landlords have resorted to:

- deliberately neglecting their properties
- initiating baseless court proceedings
- declining to provide required services
- refusing to make the most basic repairs

Here are some examples of how landlords have attempted to force out tenants represented by East Side SRO Law Project:

- cutting off heat and electricity in the winter
- turning the heat on full blast during the height of summer
- performing illegal demolition work in occupied parts of the building
- systematically tearing out all toilets and showers in the building

- refusing to deal with a out-of-control vermin infestation

When some of our clients complained of rats and insects, the landlords taunted them by offering cans of Lysol spray. Even worse, we have experienced an increase in the number of cases where owners have used direct physical threats and intimidation to try to drive tenants out.

The economy is entering a downward spiral. The cost of living continues to increase. The SRO community is already under attack. These are the facts that provide the context in which the Board must make its decision. Tenants simply cannot afford a rent increase.

### **No Need for A Rent Increase**

In all but the rarest cases, SRO owners do not rely upon rents collected from permanent SRO tenants to cover their costs or make their profits. New York's SRO owners take full advantage of the unique characteristics of their properties. They derive substantial income from lawfully, and unlawfully, renting their units to non-regulated tenants at rates that are exponentially higher than stabilized rents. Landlords routinely operate buildings containing stabilized SRO units as youth hostels and tourist hotels. Others sign lucrative contracts with the City, area schools, universities, and other organizations to provide long and short term housing for HIV+ residents, students, and other persons.

If SRO owners' incomes were truly dependent upon rents collected from permanent tenants, they would not engage in the "warehousing" that is an endemic problem throughout the City. From the Lower East Side to the Upper West Side, from the Rockaways to Greenpoint, owners continue to voluntarily withhold large numbers of vacant, stabilized units from the rental market. Owners do this in hopes of emptying their buildings of regulated tenants. Once empty, a building can be more easily sold or converted to another use.

At bottom, a rent increase may provide some SRO owners with a marginal increase in income. However, any increase, no matter how small, will have a devastating impact upon their impoverished tenants who already struggle, on a daily basis, to provide themselves with food and shelter. Further, until the City begins to offer its low-income population an alternative form of available, affordable housing, any increase in SRO rents will continue to have a direct impact upon the size of New York's homeless population.

### **Conclusion**

We respectfully request that the Rent Guidelines Board decline to issue a rent increase for SRO units. SRO owners are not dependent upon the dwindling tenant population to cover their overhead and make an acceptable profit. Even the smallest increase, however, will devastate individual tenants and worsen the City's homelessness crisis.