

RACIAL AND ETHNIC DISPARITIES IN RENT- REGULATED HOUSING FOR 50-PLUS NEW YORKERS

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New York State's population is aging and growing more diverse. The number of New Yorkers ages 65 and over increased 26% over the last decade. Nearly one third (31%) of U.S.-born older New Yorkers are non-White, a 26% increase from 10 years ago, while the number of older immigrants increased 41%.¹ Given these demographic changes, it is important to understand how New York's aging racial and ethnic minorities fare in important arenas, such as housing. This fact brief highlights the racial and ethnic disparities in rent-regulated housing for 50-plus New Yorkers and provides policy recommendations to address various housing issues.

New York's current rent regulation laws expired June 15th. How the New York State Assembly votes on proposed bills could have dramatic implications for New York's housing market and the state's residents, particularly for ethnic and racial minorities age 50-plus.

Rent regulations are laws that maintain affordable housing, and they encompass both rent control and rent stabilization. Rent control is the older form of rent regulation and today applies to only a small (and shrinking) number of units. The current and most widespread form is rent stabilization. It limits annual rent increases for certain residential units: most buildings of six or more units built before 1974, or buildings that elect to participate in the program in exchange for public subsidies. Rent stabilization protects tenants from significant rent increases, obligates landlords to provide services (e.g., basic maintenance and repairs), and restricts the conditions under which tenants can be evicted. In effect, rent-stabilized tenants have a perpetual lease, as long as they do not violate the terms of that lease.

Rent stabilization currently applies only to rental units in New York City and Nassau, Westchester, and Rockland counties, despite the need for affordable and secure rental housing across the state.

The supply of rent-stabilized housing has decreased over the past several decades. Since 1994, New York City has lost approximately 142,868 rent-stabilized units. In 2018, High-Rent Vacancy Deregulation comprised the largest category of subtractions from stabilized housing stock, accounting for 62% of the losses.² When a unit's legal rent is just under \$2,775, the owner can remove it from rent stabilization. Given how high market rents are in many neighborhoods, most landlords are eager to deregulate their units.

Reducing the rent-regulated housing stock affects all New Yorkers, but it causes the most harmful impacts for New York's 50-plus racial and ethnic minority populations (African American/Black, Hispanic/Latino, and Asian American and Pacific Islander). They comprise the majority of tenants residing in rent-stabilized housing units.

KEY FACTS

- **Poverty rates for older minority populations in New York State are significantly above the state average.³**

26% of U.S.-born Hispanics/Latinos, 22% of Asian American and Pacific Islanders, 19% of African Americans/Blacks, and 20% of immigrants, age 65-plus, are living in poverty. The state average for older New Yorkers is 14%.

- **Low-income renters make up the majority of tenants living in rent-stabilized housing in New York City.⁴**

65.8% of tenants living in rent-stabilized units have low incomes, compared to 53.8% of tenants in market-rate units.

- **People of color (African American/Black, Hispanic/Latino, and Asian American and Pacific Islander) account for the majority (62%) of New York City's 50-plus population.⁵**

- **In New York City, people of color age 50-plus are more likely to be renters than their White counterparts are.⁶**

69.89% of 50-plus people of color are renters, compared to 47.79% of Whites.

- **The majority of 50-plus renters in New York City, Long Island, and Buffalo are cost burdened (paying more than 30% of their incomes on rent). Immigrants who are 50-plus are more likely to be cost burdened than U.S.-born residents are.⁷**

- **In New York City, people of color age 50-plus account for the majority of tenants living in rent-stabilized housing.⁸**

63.74% of rent-stabilized apartments are occupied by 50-plus people of color, compared to 36.26% of 50-plus White tenants.

- **In New York City, more than one third of tenants living in rent-controlled housing are people of color age 50-plus.⁹**

41.03% of rent-controlled housing is occupied by 50-plus people of color.

- **Rental affordability is a statewide urban issue. However, much of the state is not covered by rent regulation laws, which apply only to New York City and 40 municipalities in Nassau, Westchester, and Rockland counties.**

People of color age 50-plus account for one third (33%) of New York State's 50-plus population.¹⁰

Renting is the predominant form of housing tenure in most of the denser areas of the state, ranging from 45% to 60% renters.¹¹

POLICY RECOMMENDATIONS

- Extend rent stabilization to cover the entire state of New York.
- Pass new “just cause” eviction legislation, which would apply rent stabilization to smaller buildings (fewer than six units).
- Prevent further loss of rent-stabilized apartments by ending vacancy decontrol, which allows landlords to permanently deregulate apartments once the rent reaches \$2,774.76/month in New York City.
- Eliminate the vacancy bonus, which allows landlords to increase the rent by 20% every time a tenant vacates an apartment. It incentivizes harassment and eviction of long-term tenants.
- Make preferential rents permanent, requiring landlords to renew rent-stabilized leases based upon the tenant's existing rent level. A preferential rent is a rental amount granted by the landlord that is lower than the legal rent. Under current laws, when tenants renew their leases, the landlord can increase the rent to the higher legally registered rent. This practice becomes a mechanism for landlords in gentrifying neighborhoods to impose significant rent increases and displace households.
- Reform the Vacancy Allowance, Major Capital Improvements and Individual Apartment Improvements in a way that is fair and reduces excessive rent hikes, but ensures that homeowners can provide safe, decent housing.
- Extend the four-year look-back rule to six years, which requires tenants to make a complaint about a landlord's illegal actions within four years.
- Pass rent control relief, which would bring rent control increases (that can reach 7.5% annually) in line with standard Rent Guidelines Board increases.¹²

CONCLUSIONS

- New Yorkers of color age 50-plus experience disparities in housing and would be disproportionately negatively affected if fewer apartments remained rent stabilized and if current renter protections are not strengthened.
- People of color who are 50-plus are the most vulnerable to having high cost burdens, as they are more likely to be renters than their White counterparts are.
- The cost-burdened status of many 50-plus New Yorkers of color makes the communities in which they live particularly vulnerable to gentrification and displacement.
- Strengthening and expanding tenant protections is important for all New Yorkers, and especially to ensure that aging New Yorkers of color have access to affordable, secure housing and the right to age in place. Not strengthening the laws increases the risk of eviction, displacement, and homelessness among New York's most vulnerable populations.

¹ Center for an Urban Future. 2019. "New York's Older Adult Population Is Booming Statewide." Accessed at: <https://nycfuture.org/research/new-yorks-older-adult-population-is-booming-statewide>.

² High-Rent Vacancy Deregulation: "If an apartment is vacated with a legal regulated rent (rent stabilization) or maximum rent (rent control) of \$2,500 or more per month, such apartment qualifies for permanent deregulation, and therefore for removal from all regulation" (New York State Division of Housing and Community Renewal Office of Rent Administration, 2014:1). Accessed at: https://www.msnhlaw.com/docs/fact_sheet_36_20140416125149.pdf; New York City Rent Guidelines Board. 2019. "Changes to the Rent Stabilized Housing Stock in NYC in 2018." Accessed at: <https://www1.nyc.gov/assets/rentguidelinesboard/pdf/changes19.pdf>.

³ Center for an Urban Future. 2019. "New York's Older Adult Population Is Booming Statewide." Accessed at: <https://nycfuture.org/research/new-yorks-older-adult-population-is-booming-statewide>.

⁴ Low-income households are defined as "those earning no more than 80% of the Area Median Income (AMI) according to the U.S. Department of Housing and Urban Development's Guidelines for the Section 8 and HOME programs. In 2011, the low-income limit for a three-person household was \$58,950" (Furman Center, 2014:1); NYU Furman Center. 2014. "Profile of Rent-Stabilized Units and Tenants in New York City." Accessed at: http://furmancenter.org/files/FurmanCenter_FactBrief_RentStabilization_June2014.pdf.

⁵ AARP. 2018 "Disrupting Racial and Ethnic Disparities: Solutions for New Yorkers Age 50+." Accessed here: <https://cdn.states.aarp.psdocs.com/99/73/da48247723efcc428025125d3ddb/aarp-disparitiespapersummary-booklet-final.pdf>.

⁶ New York City Housing and Vacancy Survey 2017, AARP.

⁷ AARP. 2018 "Disrupting Racial and Ethnic Disparities: Solutions for New Yorkers Age 50+."

⁸ New York City Housing and Vacancy Survey 2017, AARP.

⁹ Ibid.

¹⁰ AARP. 2018 "Disrupting Racial and Ethnic Disparities: Solutions for New Yorkers Age 50+."

¹¹ Waters, Tom. 2019. "Rental Housing Affordability in Urban New York: A Statewide Crisis." Community Service Society. Accessed at: <https://www.cssny.org/publications/entry/rental-housing-affordability-in-urban-new-york-a-statewide-crisis>.

¹² See Housing Justice for All, "Universal Rent Control for New York State." Accessed at <https://www.housingjusticeforall.org/our-platform>.