

RSA Annual Meeting Elects New Board Members

The Rent Stabilization Association held its annual membership in September, voting to enlarge its Board of Directors and electing three new members.

The new Board members are Jordan Platt of Kaled Management, Matthew Engel of Langsam Property Services Corp, and Matthew Schmelzer of Tryax Realty Management.

Arnold Goldstein, Chairman of the Board of Directors, delivered his yearly address summarizing the successes of the past year and the challenges that lay ahead. Mr. Goldstein noted the continued vitality of the rental housing sector and the RSA's ability to achieve positive legislative, regulatory and legal resolutions despite an increasingly hostile political environment. However, he cautioned against complacency noting that the industry faces many imminent threats.

Mr. Goldstein's comments at the annual meeting are reprinted below:

The past twelve months have amply demonstrated our ability to weather a

changing political and regulatory climate while maintaining and even extending the huge strides achieved by the industry.



RSA Chairman Arnold Goldstein (right) and Joseph Strasburg, RSA President (left) welcome new Board members (from left) Matthew Engel, Jordan Platt and Matthew Schmelzer

In recent years, the business climate for the housing industry has improved substantially, largely as a result of RSA's political, legal and regulatory efforts. This more open rental market helped create a tremendous amount of activity in sales, new construction and rehabilitation, all of which have bolstered the City's tax coffers and fueled the City's

growth and vitality.

We had feared, at this time last year, that new leadership in Albany and DHCR would reverse many of the necessary and hard won

changes in New York's regulated housing market. We have, indeed, seen some reversal in the positions previously taken by the State housing agency. The Rent Stabilization Code amendments proposed by the prior administration have been withdrawn. The Agency is promulgating regulations to preclude Mitchell-Lama buyouts from setting first rents using the "unique and peculiar" provisions of the Code. And some individual administrative decisions have been issued that reverse

prior policy, for instance in the matter of shifting from preferential to legal rents.

But the changes thus far have not been wide-reaching. And we have not given up on achieving reasonable and necessary regulatory changes. We have

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established channels of communication with the new DHCR Commissioner and her staff including a re-instituted Owners' Advisory Council. The RSA will continue to aggressively pursue necessary and reasonable policies and administrative decisions at the DHCR. And we are hopeful that the new State administration will continue to recognize that the City's housing market and the City's economy are inextricably linked.

Our experience with the City Council has also been more positive than expected. We have pursued extensive discussions and lobbying efforts with the City Council leadership and individual Council members to achieve some positive results. After many years of fruitless efforts, the RSA was finally able to eliminate duplicative agency functions and enact a law to simplify sprinkler inspection requirements.

The RSA was able to channel an effort by some Council members to broadly and aggressively revise the housing code enforcement program into a narrowly targeted program aimed at just the worst 200 buildings in the City. After all, as an industry association and responsible citizens we cannot condone actions which threaten the health and safety of tenants. We ended up with a targeted program aimed at the worst offenders which will not affect the majority of responsible property owners. This is a program that the RSA and the industry can fully support.

Most significantly, the RSA was able to work with the City Council and its leadership to translate a proposed 5% reduction in the real estate tax rate into a final 7% rate reduction. While this is a one-time only rate cut, the RSA continues to work toward reducing the burden of steadily increasing real estate taxes and water and sewer charges.

And most recently, the Mayor has just signed a law which limits the enforcement of sidewalk litter violations in residential buildings to just two hours a day, one hour in the morning and one in the evening. This will be a tremendous benefit to owners who must leave for their day jobs and cannot afford janitorial services on a constant basis.

On the legal front this year, we also had more wins than losses. We lost a long running challenge to Rent Guidelines Board Order #37 at the Court of Appeals. But there were two significant legal victories. Small property owners will benefit from a Court decision verifying that owners make seek occupancy of an entire building, not just one or two units, for their own use. And every owner will be benefit from a decision in the Peter Cooper/

Stuyvesant Town litigation permitting units which receive J-51 benefits to be deregulated in most cases. RSA filed legal briefs in support of both cases.

It was another difficult year at the Rent Guidelines Board. With building operating costs continuing to spiral upwards, the 3% and 5.75% increases for one- and two-year leases commencing on October 1st seem barely adequate.

In this year's rent guideline deliberations and in future years, we are the victims of our own success. The Rent Guidelines Board was well aware that many owners have benefited from substantial vacancy increases and that some owners have been able to deregulate some of their apartments. The RGB balanced the increased revenue available to property owners against the "housing affordability" crisis which receives so much attention from politicians and the media. Owners are bound to come out on the short end of such an equation. Next year, we will continue to push for realistic rent guidelines as well as special adjustments for those long-term occupancies that have resulted in abnormally low rents.

RSA continues its efforts to ease burdens and educate its members on how to deal with administrative matters with an upcoming workshop on Section 8 subsidies. Representatives from the Housing Authority and HPD will be present to explain procedures and answer questions. At the same time, RSA continues to meet with these agencies in an on-going attempt to make housing subsidy programs workable for both tenants and owners.

RSA services for property owners also being constantly reviewed and upgraded. This year, for example, the RSA Court and Credit Program was revised to provide the best resources possible to help owners maintain and improve their bottom lines. We will continue to try to provide our members with the best possible resources and services to help you run your business.

The RSA's best resource remains its own strong membership base. We rely on RSA members for feedback on how our services are working and for suggestions about what services and information you need to conduct your business. Most of all, we need your continued support in the form of membership dues as well as contributions to the RSA Legal Defense Fund and Political Action Committee. As we continue to face a difficult political and regulatory environment, we cannot be complacent. Your support is more important now than ever before.

Thank you. ■