



Written Testimony of Leah Goodridge, Esq.

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Financial Services, Subcommittee on Housing and Insurance

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“Restoring Prosperity in American Communities: Examining the  
Failures of Status Quo Housing Policy”

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Chairman Davidson and Honorable members of the Committee, thank you for the opportunity to testify this morning.

My name is Leah Goodridge and I am the Managing Attorney for Housing Policy at Mobilization for Justice, one of the largest civil legal service providers in New York. In my role, I supervise a team of lawyers who represent low-income tenants facing eviction. In the last 12 years, I have litigated on behalf of hundreds of tenants, an experience which has afforded me a frontline view of the housing crisis. I also determine housing policy in New York. In 2018, former New York City mayor Bill de Blasio appointed me to the New York City Rent Guidelines Board, which determines rent levels for rent stabilized apartments. There, I read housing reports and data, heard from experts and both tenants and landlords alike. For the nearly four years I was on the Board, I saw how rent stabilization operated in policy and practice.

We're here today to examine the failures of status quo housing policy. New York is the ideal place to center this discussion. New York is the first state in the nation to put forth some form of rent control. New York opened one of the nation's first public housing developments. New York City was also the first in the nation to pass the Right to Counsel law, where low-income tenants are provided with a free attorney.

This is an opportunity to examine what works and what doesn't.

### **Rent stabilization works.**

Rent stabilization works to directly address the housing crisis by ensuring that some apartments remain affordable.

Currently, many of the eviction cases that I am seeing are in private, unregulated apartments. Recently, I spoke with Ms. P. She is 62 years old with physical disabilities. She's been living in a private, unregulated apartment for the last 7 years, but her landlord recently decided not to renew the lease. From the landlord's accord, she's up to date on rent and there have been no disagreements. Yet this is how it works when housing isn't regulated—tenants like Ms. P become ensnared in a vicious housing market that likely won't yield an equally affordable apartment. And now, predictably, she is facing eviction with nowhere else to go.

Ms. P's experience is a direct response to critics who argue that rent stabilization shouldn't exist at all. Relying entirely on the private market for all housing would create instability in the housing market. If Ms. P's apartment was rent stabilized, her situation would be entirely different. For one, the landlord would have to evict her because she breached the lease (either failure to pay rent or another type of breach). Second, Ms. P would also be eligible for two programs which freeze her rent at its current rate while providing the property owner with a tax exemption. These programs are for seniors (SCRIE)<sup>1</sup> and people with disabilities (DRIE)<sup>2</sup> and their goal is to prevent the displacement of New York's most vulnerable citizens. This is what New York City gets right, and this model should be replicated elsewhere.

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<sup>1</sup> Senior Citizen Rent Increase Exemption, available at <https://www.nyc.gov/site/finance/property/landlords-scrie.page>

<sup>2</sup> Disability Rent Increase Exemption, available at <https://www.nyc.gov/site/finance/property/landlords-drie.page>

### Tenant Protection Laws Work.

Prior to the passage of the Housing Stability and Tenant Protection Act of 2019 (“HSTPA”), tenant attorneys litigated scores of eviction cases dealing with the improper loss of rent stabilized apartments. Due to high rent deregulation, there was a gross incentive to increase rent by unlawful means to remove a unit’s rent stabilization status. This was just one of the issues addressed in the HSTPA.<sup>3</sup>

### Building Housing Without Adequately Investing in Affordable Housing Doesn’t Work

A lot of my clients cannot access newly built affordable housing. This is for a few reasons. First, most income-restricted units are devoted to moderate-income residents, not extremely low-income. Affordable housing used to be called low-income housing because that’s the income target it achieved. However, as you can see from the chart below<sup>4</sup>, which is from NYC’s reports, extremely low-income units comprised the least of all of the income-restricted units for started and completed housing units in the Fiscal year 2023 for housing funded by NY’s local housing department. The working-class people who are vital to the prosperity of American communities—delivery workers, taxi drivers, home health aides—are on the margins of it with little safety net to help them from falling into a poverty abyss.

Performance Indicators	Actual					Target		Trend	
	FY19	FY20	FY21	FY22	FY23	FY23	FY24	5-Year	Desired Direction
Extremely low income (0-30% AMI) starts (%)	21%	8%	18%	22%	23%	*	*	Up	*
Very low income (31-50% AMI) starts (%)	33%	45%	40%	20%	23%	*	*	Down	*
Low income (51-80% AMI) starts (%)	32%	29%	24%	30%	31%	*	*	Neutral	*
Extremely low income (0-30% AMI) completions (%)	22%	16%	24%	17%	15%	*	*	Down	*
Very low income (31-50% AMI) completions (%)	17%	18%	24%	38%	36%	*	*	Up	*
Low income (51-80% AMI) completions (%)	43%	40%	36%	25%	30%	*	*	Down	*
Units started that serve senior households	2,001	703	3,321	1,051	1,697	*	*	Neutral	*
Units completed that serve senior households	1,249	1,117	1,523	1,197	1,285	*	*	Neutral	*

\* Critical Indicator    ● Equity Indicator    "NA" Not Available    ⇅ Directional Target    \* None

Second, the Area Median Income formula derived by the U.S. Department of Housing and Urban Development (HUD) needs to be reworked. In New York City, the AMI can go as high as \$165,185 for a household size of one, largely because it includes the higher-income suburban areas on the city's outskirts. That means in practice that even when units are restricted to extremely low incomes, the AMI may still not capture the actual income needs of that community.<sup>5</sup> In some cases, income eligibility can start at \$80,000 with one-bedroom rent at \$2000, and that is still for income-restricted housing. This is where we can improve the most—we must invest in affordable housing.

<sup>3</sup> Oksana Mironova and Samuel Stein, *Blame Speculation, Not Rent Regulation: Why New York Must Enforce and Protect the 2019 Rent Laws*, Community Service Society, Jul. 14, 2022, available at <https://www.cssny.org/news/entry/hstpa-blame-speculation-not-rent-regulation-new-york-rent-laws>

<sup>4</sup> Mayor’s Management Report, The City of New York, Sep 2023, Page 368, available at [https://www.nyc.gov/assets/operations/downloads/pdf/mmr2023/2023\\_mmr.pdf](https://www.nyc.gov/assets/operations/downloads/pdf/mmr2023/2023_mmr.pdf)

<sup>5</sup> Sarah Internicola and Lucy Block, *New York City’s AMI Problem and the Housing We Actually Need*, Association for Neighborhood and Housing Development, Sep. 19, 2022, available at <https://anhd.org/report/new-york-citys-ami-problem-and-housing-we-actually-need#:~:text=Over%20the%20last%20ten%20years,City's%20real%20household%20median%20income>

## **Government Abdicating its Role to the Private Sector to Solve the Housing Crisis Doesn't Work.**

The government cannot rely on private developers to be at the forefront of the housing crisis and build our way out. Instead, the government should take the lead and invest more in affordable housing. **The Housing Crisis Response Act** is the perfect example of that. With \$150 billion investment, we can ensure fair and affordable housing.