



Progressive Caucus of the New York City Council

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Elected Officials and Housing Advocates Rally Against Illegal Hotels Before City Council Oversight Hearing

NEW YORK -- On Tuesday, a diverse coalition of elected officials, housing advocates, and tenants rallied against illegal short-term apartment rentals. The number of these illegal rentals, also known as illegal hotels, exploded in the past four years.

Illegal hotels pose a grave threat to our city's already limited stock of affordable housing, encourage landlord harassment, and create building-wide security, safety, and nuisance issues that disrupt the quality of life for tenants and illegal renters alike.

The rally preceded an oversight hearing in the New York City Council's Housing and Buildings Committee that will examine these and other problems caused by illegal short-term rentals. The hearing will include testimony from tenants whose lives have been negatively impacted by short-term rentals.

"Airbnb and other short-term rental platforms exacerbate the problem of illegal rentals on the Upper West Side and throughout the City. Over the past five years, Airbnb rentals grew from 900 to 21,000, and according to the NYS Attorney General, 72% of these units are illegal. Until short-term rental platforms accept responsibility for their users who profit from illegal rentals, we have to equip the Mayor's Office of Special Enforcement to shut them down, one by one," said **NYC Council Member Helen Rosenthal**.

"With rents rapidly rising but wages remaining stagnant, sharing a spare bedroom can help you earn a little extra money to make ends meet. In reality, the explosive growth of the short-term rental market has created a "sublet economy" that's seriously hurting tenants and bleeding units from our already scarce affordable housing stock. The testimony we heard today puts a human face on the destructive

impacts of illegal hotels. It is abundantly clear that we must provide the Mayor's Office of Special Enforcement with the tools and resources it needs to hold these illegal hotel operators accountable," said **NYC Council Member Mark Levine**.

"With New York City's stock of affordable housing units shrinking, Airbnb should come clean about the harmful impact its operations have in our neighborhoods. While there is nothing wrong, or illegal, about live-in property owners legally renting in accordance with housing code, Airbnb facilitates absentee landlords turning rooms into illegal hotels and sucking up units that should otherwise go towards permanent affordable housing. I support the idea of a shared economy but we must share with an eye towards fairness and economic sustainability for all New Yorkers," said **NYC Public Advocate Letitia James**.

"I sponsored Local Law 45, and a large coalition worked together to pass the Illegal Hotel Law, because the City needed tools to fight the illegal conversion of residential housing for transient use. New York's housing crisis is real, and our City needs every tool available to keep more residential units, especially affordable rent-regulated units, from slipping away," said **Manhattan Borough President Gale A. Brewer**, who as a Council Member sponsored legislation allowing City agencies to impose larger fines for illegal hotel activity.

"Illegal hotels are not just a problem in Manhattan - with the demand for tourism in the outer boroughs, they are becoming an issue there as well. I am primarily concerned with property managers and owners who warehouse apartments and rent them out illegally, taking those units completely off the market for renters who need housing. The businesses that host these listings should not be benefitting from this illegal behavior. We need to find legislative and enforcement solutions that allow for legal sublets while cracking down on illegal hotels and getting much-needed housing back on the rental market," said **NYC Council Member Antonio Reynoso**.

"Right now hundreds of residents in Washington Heights, Harlem and Crown Heights are being pressured by their landlords to vacate in order to make room for these profitable illegal hotels. The residents of our communities are already being pushed out, we don't need private companies coming in, operating illegally and further pressuring our communities to leave. We must protect those most vulnerable to these pressures, seniors and working class New Yorkers, and crackdown on these illegal activities that have such destructive ripple effects in our communities," said **NYC Council Member Ydanis Rodriguez**.

"We must not allow working class New Yorkers to be entirely squeezed out of our neighborhoods – but that is exactly what may happen if we do not confront our City's affordability crisis. Just as important as building new affordable housing is preserving the units we already have. Unfortunately, illegal hotels are endangering our affordable housing stock. I am proud to be part of the Share Better coalition, as neighborhood activists, community and housing groups, elected officials, business

and labor come together to stop illegal hotels from proliferating in our neighborhoods," said **NYC Council Member Corey Johnson**.

"Illegal hotel rooms pose a threat to residents throughout New York City, by increasing noise, overcrowding and leaving residents feeling unsafe in their very homes. We need to empower tenants to take action against illegal hotels when they are victimized," said **NYC Council Member Rory Lancman**.

"The safety and affordability of our city must be protected. We need to ensure that AirBnB is not putting profit over people by allowing unsafe or illegal practices that threaten New Yorkers and the affordability of our neighborhoods. Thanks to the proactive leadership of Chair Jumaane Williams and others, the New York City Council can ask the hard questions about what the sharing economy really means for residents," said **NYC Council Member Ben Kallos**.

"We can't allow short term rental sites to operate contrary to the law and to damage New York's affordable housing stock. Illegal hotels present a real risk to these units and that is why we are so committed to fighting back," said **NYC Council Member Dan Garodnick**.

"For years, tenants have been fighting to rid our city of illegal hotels. Now companies like Airbnb are using their hotel brokerage services to promote illegal hotel use. Their misleading propaganda tries to paper over the fire and safety violations, harassment of tenants and loss of needed housing that comes with illegal hotels. We want to protect the illegal hotel law and get increased enforcement of the law, and more resources and strong penalties for violating the law. Illegal hotels are bad for New York, bad for tourists, and bad for housing," said **NYS Assembly Member Richard Gottfried, the Assembly sponsor of the 2010 illegal hotel law**.

"Preserving and expanding affordable, available housing is New York City's greatest need, and illegal hotels exacerbate the crisis. Some companies are ignoring our laws at the same time as they spend millions of dollars in an attempt to change or scrap them," "As you will hear today, the work of the city agencies enforcing the illegal hotel law is vital -- they are working to preserve residential housing and put those who are converting housing into illegal hotels out of business," said **NYS Senator Liz Krueger, the Senate sponsor of the 2010 Illegal Hotel Law**.

"Airbnb is like an invading army. It comes into a city, floods the market with illegal units and only after the incursion is complete does it come to the government, hands out, looking for ways to legalize its illegal hotel activity. Legalizing Airbnb's activity in New York would further destabilize communities and contribute to the already meteoric loss of affordable housing," said **NYS Assembly Member Linda B. Rosenthal**.

"I'm happy to have the opportunity to testify about the pernicious impact of illegal hotels on New York City. While operators like Airbnb and VRBO, and their private

capital backers, earn huge amounts of money, everyday New Yorkers must suffer the consequences from their illegal operation. Illegal hotels have exacerbated the affordability crisis of New York's housing stock, not to mention have increased the safety and security risks for all New Yorkers who live in a building where this activity takes place. I hope the City Council offers a strong legislative response to end this illegal activity," said **NYS Assembly Member Deborah J. Glick**.

"Illegal hotels give unscrupulous landlords an incentive to drive up apartment prices and drive out longtime residents, reducing our city's already limited affordable housing stock," "According to data released by Attorney General Eric Schneiderman, my district has one of the highest concentration of illegal hotels in the City and I applaud my colleagues at both the state and local level who are working to ensure that our fire, building safety and zoning laws are enforced," said **NYS Senator Brad Hoylman**.

At the same time that New York City is facing a severe housing crisis with unprecedented rates of homelessness, illegal hotel use is exploding. We have lost thousands of rent regulated apartments to illegal use and tenants continue to be pushed out of their homes in favor of the more lucrative short term rentals. Meanwhile 60,000 New Yorkers will sleep in shelters tonight. It's time to act and stop illegal hotel use," said **Sarah Desmond, Executive Director, Housing Conservation Coordinators, Inc.**

"Illegal hotels have plagued our City for over a decade hastening the loss of our affordable housing stock, driving up rents in our communities and exacerbating our housing crisis, making New York unlivable for New Yorkers. We stand together with our elected officials, tenants and community groups to speak out against all illegal hotel operators," said **Marti Weithman, Director, Goddard Riverside's SRO Law Project**.

"Airbnb is fueling gentrification and depleting the stock of available affordable housing, especially in low-income communities and communities of color. Their so-called sharing economy helps unscrupulous landlords earn a greater share of profit by deregulating apartments and pushing out rent-regulated tenants. Airbnb is exposing more and more tenants to evictions and driving up rents in the process. The company is encouraging the creation of illegal hotels and should be held accountable for its harmful actions," said **Jonathan Westin, Executive Director of New York Communities for Change**.

"We want Mayor de Blasio and the City Council to recognize that Airbnb is making it harder to strengthen and expand affordable housing in our city. The company is telling landlords they can make more money renting vacant units and violating the illegal hotel law. If Airbnb continues its dangerous business as usual, the company will be responsible for the loss of countless rent-regulated apartments and New York City residents will be worse off," said **Maritza Silva-Farrell, a leader of Real Affordability for All**.

“Illegal hotel legislation was an important step forward in the struggle to preserve affordable housing; AirBnb’s practices take us backwards and intensifies the affordable housing crisis,” said **Delsenia Glover, Campaign Manager for the Alliance for Tenant Power**, a coalition of organizations working to close loopholes in the rent laws when they are renewed by the state legislature in June. “As the tenant movement is pushing a series of reforms to strengthen the rent laws, it is imperative that tenants not lose ground for hard-won protections,” she added.

“Here in NYC, America’s tightest rental market, tenants already live with the real estate industry aggressively bearing down on them to leave their rent regulated apartments. Low and middle-income tenants of the Lower East Side have consistently felt displacement pressure, and had other quality of life problems, from illegal hotels in this neighborhood. It’s been our experience from working with tenants here, that illegal hotels are only making the housing problems that New Yorkers face much worse,” said **Brandon Kielbasa, Lead Organizer, Cooper Square Committee**.

““Airbnb, and its ilk, are the Merchants of Misery. They want every apartment in NYC to be an illegal hotel in order to bankroll their IPO. Airbnb steals affordable housing, compromises tenant safety, violates the fire codes, then says, that’s okay because it’s all part of the ‘share economy.’ ShareBetter! Stop breaking the law,” said **Tom Cayler, Hell’s Kitchen tenant, Member of the West Side Neighborhood Alliance**.