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FPI Testifies to the Rent Guidelines Board

Emily Eisner May 28, 2025

Rent Guidelines Board votes to lower range of possible rent increases for 2-year leases

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Last Thursday, FPI's Chief Economist, Emily Eisner, testified to the Rent Guidelines Board (RGB) of New York City, at the invitation of one of the Board's Tenant members, Adán Soltren. Dr. Eisner's testimony made the case that current economic conditions and uncertainty regarding federal housing and safety-net policy demand that the RGB prioritize tenants' need for low and stable rent.

Dr. Eisner presented an overarching framework for how the RGB should understand their objectives and an empirical analysis of how to account for rising costs to landlords. Specifically, Dr. Eisner highlighted the fact that the RGB does not have a "dual mandate" of balancing the needs of tenants against the needs of landlords; instead, the RGB has the unitary mandate of protecting stable and affordable rents subject to the constraint that they must also preserve the stock of affordable housing, thus taking into account landlords' costs of preservation and maintenance. This distinction is fundamental to how the RGB understands their task. Further, Dr. Eisner testified about which measures should be used to estimate landlord costs and establish long-run financial stability of the City's affordable housing stock. She showed that market rate shelter costs, which are included in typical price measures such as the Consumer Price Index, should be excluded from the price index used by the RGB so as to insulate rent-stabilized housing from the upward cost pressures of an over-heated and under-supplied housing market. Alex Armlovich, one of the public members of the RGB, reflected positively on Dr. Eisner's testimony, stating that "[r]epresenting tenants' views with systems-level thinking and a quantitative approach is commendable."

Yesterday morning, the RGB re-convened and voted to lower the range of possible rent increases for two-year leases on rent-stabilized apartments. The Chair of the RGB, Doug Apple, stated

> "An additional review of evidence received by the Board indicates that a reconsideration of preliminary guidelines for two-year leases is warranted….In particular we received testimony on the impact of potential rent increases on tenants whose incomes are not

keeping pace with the rising cost of living."

FPI commends this change by the RGB and encourages the RGB to continue prioritizing the financial needs of tenants as we approach both an unprecedented retrenchment of our country's social safety-net and enormous economic instability.

Links

a https://fiscalpolicy.org/media/pages/policy-and-research/fpi-testifies-for-the-rent-guidelines-board/160f2bff5a-1789771136/2025.05.22-fpi-rgb-testimony.pdf
b https://www.youtube.com/live/_33kXsXyfsU?si=pjYhk3HiGMdaIkw2&t=6300