



Case Study I.I: Community Action for Safe Apartments (CASA) and Fees are Fraud Coalition: NYC Tenants Call for the Prohibition of all Non-Rent Fees

Background on Organization and Issue

Community Action for Safe Apartments (CASA) is New Settlement Apartments' housing organizing initiative. CASA is a community-led organization that works to improve housing conditions with neighborhood-wide campaigns focused on tenants' rights to a safe, healthy and stable home. CASA began in 2005, out of the community's need to improve the poor housing conditions that persist for many families in Southwest Bronx, which is densely overpopulated and underserved.

CASA organizes tenants in New York City's poorest neighborhoods. Rent regulation exists to protect these tenants from high rents. However, CASA began to notice that landlords were creating new ways to push rent stabilized tenants out of their homes. One widespread example of such a tactic was the imposition of non-rent fees. These fees, such as appliance fees, legal fees, damage fees, and Major Capital Improvement (MCI) rent increases, were being added onto monthly rent statements, frequently with little or no explanation. Some of the fees being imposed were legal, but many were not, and the pattern in which they were being imposed suggested an attempt to displace tenants. CASA also noticed that if tenants fell behind on paying these fees, they were often sent letters threatening eviction. Tenants, feeling harassed, often paid the fees, even when they had a right to refuse to do so. Fees added a new and significant financial burden to already-struggling low income tenants, making their housing costs increasingly unaffordable.

In order to learn more about this pervasive problem in the South Bronx, CASA wanted to find out and document how these fees were affecting tenants and ultimately to develop reforms. Targeting Chestnut Holdings, one of the biggest landlords of rent stabilized buildings in the South Bronx, CASA partnered with the Urban Justice Center's Community Development Project, New York Communities for Change, and Northwest Bronx Community and Clergy Coalition to conduct research about these fees.

The result of these efforts ultimately produced two research products: the first was the creation of the report focused on Chestnut Holdings in the South Bronx: "The Burden of Rent Fees: How Affordable Housing is Made Unaffordable." The release of this report, which documents the types of non-rent fees that were severely burdening tenants in the South Bronx, spurred conversation about the fees issue among other housing advocacy groups and led to the creation of the Fees Are Fraud Coalition, which had a citywide reach. The coalition, with the goal of demonstrating that fees were pervasive in other areas as well, expanded the initial research into new boroughs and buildings, and released the second research product, an addendum to the first report which demonstrated the scope and scale of the problem citywide.



WHAT...

Were the Organizing Goals connected to this research?

- Collect data on the impact of non-rent fees on rent stabilized tenants.
- Build a strong base of tenants who are affected by this issue, and develop tenant leadership roles.
- Enact reforms that protect tenants against the imposition of non-rent fees.
- Preserve and maintain affordable and safe housing and prevent displacement.

Overall questions did the coalition want to answer through their research?

- What are the experiences of rent-stabilized tenants with non-rent fees?
- What fees are tenants being charged? Have they paid these fees? Do they experience confusion about fees?
- What is the financial impact of the fees?
- What are tenant stories about their experiences?

WHY...

Is this research useful or important for the coalition?

- The coalition works to support efforts to preserve and protect the city's affordable housing, and the practice of charging non-rent fees threatens to push New Yorkers out of their homes and deregulate affordable apartments.

WHO...

Are the Stakeholders in this Issue?

- Low income tenants around the city who live in rent stabilized housing.

Was the coalition trying to influence?

- The Division of Housing & Community Renewal (DHCR), which sets regulations on non-rent fees and has the power to audit landlords who are suspected of violating regulations of non-rent fees, but has done very little to regulate this system.
- City and State legislators who have the power to introduce legislation that would protect tenants.

HOW...

Did CASA (and later the coalition) gather information (what methods did they use)?

- *Surveys:*
 - CASA used surveys and targeted respondents living in rent stabilized Chestnut Holding apartments. They were able to gather 172 surveys.
 - The coalition then collected an additional 562 surveys from 208 buildings for the citywide addendum to the report.
- *Interviews:*
 - CASA interviewed tenants living in Chestnut Holding apartments in order to gather information about their experiences with non-rent fees.



- *Collecting Rent Bills*
 - CASA collected rent bills to determine how much tenants were being charged in rent fees. They gathered 196 rent bills and other supplemental materials for tenants in Chestnut Holding buildings.
 - The coalition then collected an additional 88 rent bills from 27 buildings across the City for the citywide addendum to the report.
- Overcharge complaints: the coalition filed 48 fee related overcharge complaints with HCR's office of rent administration. These were analyzed and categorized for the citywide report.

HOW...

Did Research support CASA's organizing efforts?

- This information led to the release of the report "*The Burden of Rent Fees: How Affordable Housing is Made Unaffordable*" and later an addendum to the report which included citywide data.
- The report release garnered significant media attention, including an exclusive about the fees issue in the New York Times.
- The report brought the issue of non-rent fees to light, and galvanized conversation among other housing organizing groups, whose members were experiencing the same issue. As a result, CASA was able to form the Fees are Fraud coalition, which focused on the citywide impact of fees. The coalition expanded CASA's initial research and released an addendum to the original non-rent fee study.
- CASA and other organizations in the coalition cultivated tenant-leaders and mobilized their memberships to address this issue in various capacities, such as having tenant leaders present data at policy briefings about the report.
- CASA developed a team of tenant leaders who guided the project and promoted tenant leadership.

Did research impact policy change?

- Following organizing by the coalition, using the expanded citywide findings, the State's Department of Housing and Community Renewal (DHCR) released a factsheet regarding the legality of fees that can be charged to tenants. This served as an administrative change that limits how and when certain fees can be charged.
- A package of state-level legislation was introduced that would curtail and increase tenant awareness of illegal non-rent fees. The findings from the "Fees are Fraud" report were cited in the memo that accompanies the legislation.