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## Majority of Homes in New York City Will Miss Out on \$183 Water Credit

Mayor says almost 80% of ratepayers will get credit, but most homes won't benefit

By Thomas MacMillan

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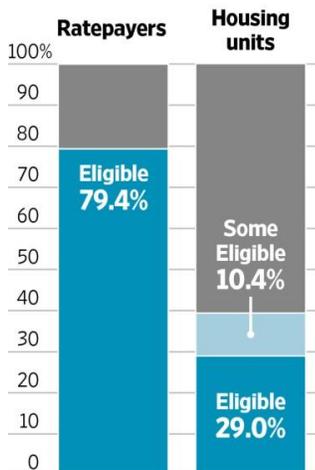
Mayor Bill de Blasio has recommended giving a one-time \$183 credit this summer to New York City water customers who own one- to three-family homes, a plan he said would benefit nearly 80% of ratepayers.

While some will receive a credit of that amount, a closer look at that April proposal shows a majority of New York City homes are in buildings that don't fall into this category. As a result, these homes won't benefit from the credit or receive any direct relief from a rate increase the mayor has proposed.

According to 2014 census figures, about 60% of city apartments—more than two million—are in buildings that have five or more units.

### Politics of Water

While nearly 80% of water ratepayers are eligible for a \$183 credit, a majority of housing units in New York City aren't in properties that qualify.



Notes: Housing unit data as of 2014 and excludes mobile homes, boats, RVs and vans  
Sources: New York City Department of City Planning; New York City Department of Environmental Protection

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Carol Kellermann, president of the Citizens Budget Commission, a watchdog group, said the mayor's plan to limit the credit to certain ratepayers was a political move. "It should be spread among everyone who pays for water," Ms. Kellermann said.

Amy Spitalnick, a spokeswoman for the mayor, defended the proposal, saying all properties will benefit from the mayor's decision to stop charging the New York City Water Board an annual rental payment for using the city's water and sewer system. The mayor once described the rental payment as "hidden taxes."

Ms. Spitalnick said the elimination of the rental payment will result in a total savings of \$1.1 billion by fiscal 2020, benefiting every single customer—no matter the type of property.

But for the fiscal year beginning July 1, the mayor has recommended that the Water Board approve a 2.1% increase in water and sewer rates. The proposed \$183 credit would offset that increase, but only for one- to three-family homes.

Ms. Spitalnick didn't provide The Wall Street Journal with a breakdown of how much revenue the city plans to collect from larger apartment



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buildings in the coming year, compared with properties that will benefit from the credit.

Matthew Engel, president of the Community Housing Improvement Program, a trade group representing more than 2,500 apartment-building landlords in the city, said water costs in larger buildings are out of control.

“I spend more on water in a four-family building than I do on oil or gas,” said Mr. Engel, who runs Langsam Property Services Corp., a company that manages about 250 apartment buildings comprising some 8,000 apartments.

As water rates rise, landlords who can’t raise rents have to divert money away from maintenance, resulting in distressed housing, Mr. Engel said.

Patrick Siconolfi, director of the Community Housing Improvement Program, said issuing a credit to only some ratepayers runs counter to the mayor’s stated goal of creating more quality affordable housing.

“People say the rent is too damn high—it’s largely because payments to the city are too high,” he said.

For the city’s rent-stabilized apartments, which total about one million, the water-rate increase could result in landlords persuading the city to raise rents to cover the higher costs, making apartments less affordable, Mr. Siconolfi said. Or, if the city doesn’t permit a rent increase, landlords will have more trouble making ends meet, he said.

The mayor and other city officials have highlighted programs designed to help low-income, elderly, and disabled ratepayers, as well as customers who use minimal water. The city said it is offering a new program offering credits of \$250 a unit to affordable-housing providers.

Jim Buckley, executive director of the University Neighborhood Housing Program, a group that supports affordable housing in the Bronx, said the proposed credit for affordable-housing providers is being well-received.

“There hadn’t been anything for affordable housing before,” he said. “In general, the reaction that we have is still positive.”

**Ms. Kellermann, of the watchdog group, said there is no policy basis for the \$183 credit “other than to try to mitigate the unhappiness that people generally have with their water bill.”**

That unhappiness has been articulated most forcefully by elected representatives of single-family homeowners, she said. “This is addressing the express concern of people whose constituents are in the category that’s being given the rebate,” she said.

Councilman Rory Lancman, a Queens Democrat who has been an outspoken critic of the mayor when it comes to water rates, defended Mr. de Blasio’s proposal.



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“It might be acceptable to focus the credit on those homeowners who have the least wiggle room and flexibility,” he said.