Policy Argument Brief

Why Local Law 18 Has Nothing to Do With Tenant Protection or Long-Term Housing Stock

Owner-Occupied One- and Two-Family Homes Are Private Dwellings Under State Law, Not Part of the City's Rental Housing Market

Executive Summary

Local Law 18 was sold as a measure to protect tenants and preserve long-term rental housing, yet by law and in practice, it does neither. Owner-occupied one- and two-family homes — legally defined as private dwellings under Section 4(7) of the New York State Multiple Dwelling Law — are not part of the city's regulated long-term rental housing stock. Applying Local Law 18 to these properties is a legal overreach and a policy contradiction.

The solution to curing New York City's long-term rental housing shortage cannot and should not involve forcing small homeowners — many of whom have lived in their homes for decades — to rent out portions of their private residences or deny their own family members the use of space within their own homes. That is not housing policy; that is displacement by another name. If the City is serious about addressing its housing crisis, it must confront the real structural causes: the warehousing of tens of thousands of rent-stabilized apartments, the mass acquisition of one- to three-family homes by institutional investors driving up property taxes and rents, and the failure to produce genuinely affordable units under new development schemes that seem more motivated by developer incentives and political favor than by the needs of everyday New Yorkers.

Rather than protecting tenants, Local Law 18 has eliminated flexible housing options, destabilized small homeowners, and exacerbated displacement in working-class communities, all while doing nothing to increase long-term housing supply. The following ten arguments outline why Local Law 18 fails to meet its stated purpose and why Intro 948-A offers a data-driven, equitable path toward true housing stability.

1. Local Law 18 was never designed for private dwellings.

LL18's legislative intent targeted illegal conversions of multi-unit buildings, not owner-occupied private homes. Applying it to one- and two-family homes contradicts state law and legislative purpose.

2. No measurable increase in long-term rental availability has occurred.

Rents remain at record highs while vacancies stay at historic lows. No data supports that LL18 returned units to the long-term market.

3. The enforcement disproportionately harmed small homeowners, not corporate landlords.
Most denials came from owner-occupants while large commercial operators and hotels benefited from reduced competition.

4. Owner-occupied homes are already long-term by nature.
These are homes occupied by families, often for generations. Allowing limited short-term use doesn't remove housing; it sustains it.

5. Local Law 18 created a "shadow vacancy" crisis.
Thousands of small homeowners who once relied on short-term rentals to cover mortgages, taxes, and maintenance costs are now forced to leave portions of their own homes unused out of fear of penalties — even as luxury Class B condo buildings continue offering nightly stays for thousands of dollars. Many have closed off or decommissioned accessory units, basements, or suites within their homes, effectively warehousing parts of their living space. While these areas were never long-term rental units, they are still livable spaces within occupied homes that could otherwise accommodate family members, caregivers, or extended relatives. This directly contradicts the City's stated goal — particularly under the recently passed City of Yes Initiative — of maximizing available living space and keeping existing housing fully utilized.

6. The law fuels gentrification by forcing middle-class owners out.
Cutting off this supplemental income source accelerates displacement of Black, Brown, and elderly homeowners, forcing sales to developers who replace them with luxury units.

7. The City's "housing stock" argument ignores legal reality.
Private dwellings are excluded from multiple dwelling definitions under state law, meaning LL18 cannot legally protect or affect that housing category.

8. Real protection of long-term housing requires balanced incentives.
Intro 948-A provides a vehicle for responsible engagement — enabling homeowners to host short-term guests while safely exploring long-term rentals within their own homes. This aligns directly with the City of Yes Initiative's goal to creatively and efficiently use existing housing stock. It also allows small homeowners to hedge financial risk, protecting themselves from bad-acting tenants and foreclosure.

9. "Protecting long-term housing" became a political slogan, not a measurable outcome.
The claim was driven by hotel lobby narratives, not data. No correlation exists between LL18 enforcement and rental affordability.

10. LL18 undermines the City's own sustainability and homeownership goals.
While the Mayor's housing agenda under Get Stuff Built and City of Yes promotes flexibility and growth, LL18 does the opposite — restricting private dwellings and punishing innovation. You can't build a City of Yes by telling responsible homeowners No.

Path Forward

Intro 948-A offers a balanced correction to the failures of Local Law 18. It restores fairness, protects small homeowners, and aligns with the City's broader housing modernization goals. By distinguishing between private dwellings and commercial operators, it brings housing policy back in line with both state law and common sense.

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