



MITCHELL-LAMA RESIDENTS COALITION

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WEBSITE: www.mitchell-lama.org

New state law protects tenants from soaring rents, evictions

Renters in New York City and throughout the state received the thrilling news in June that their struggles over the past several decades have finally borne fruit, as the New York State legislature, now fully Democratic-controlled, passed legislation that protects rent stabilized, rent controlled, and some free market tenants from punishing annual rent hikes, evictions, perpetual and unwarranted rent increases for apartment and building renovations, a chilling "black list," and much more.

The new law meets many of the MLRC's lobbying agenda items for the year. And it makes **rent regulations permanent** rather than temporary.

Under the Housing Stability and Tenant Protection Act of 2019, passed by significant margins in both the state senate and assembly, the following reforms were enacted:

Vacancy decontrol: Owners are now prevented from removing an apartment from regulation after a tenant leaves, even if--as before--the legal rent has risen to \$2,774, and the tenant reports an annual income of at least \$200,000 for the past two years. Further, landlords could formerly raise the rent of a stabilized unit by

20 percent any time that unit became vacant, regardless of whether or not the rent and tenant's income reached the threshold. That is no longer allowed. (It has been estimated that around 500,000 regulated apartments were decontrolled, therefore becoming largely unaffordable to most earners, because of the old law.)

Major Capital Improvements: Rent increases for major capital improvements are now lowered from six percent to two percent, and will be eliminated after thirty years instead of being permanent. The new law also tightens regulations regarding MCIs, including limits on approvals for work, on spending, and on approvals in buildings with hazardous violations.

Individual Apartments Improvements: Spending on such improvements is capped at \$15,000 over a 15-year period. (Owners can make up to three IAIs during that time.) These IAI improvement increases will also be eliminated after thirty years.

Owner-use evictions: Formerly, groups of tenants could be evicted if the owner wanted their apartments for his or her own use. Under the new law, this "owner use" provision is now

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Furious over new law, landlords sue city & state for violating their 'rights'

As tenants around the city and in other parts of the state cheered the new rent law, landlords predictably condemned it as a violation of their constitutional rights and a threat to the city's housing stock.

As of this writing, two major real estate trade organizations plus seven individual landlords have filed suit in a Brooklyn federal court against the City, the Rent Guidelines Board, and the state's Homes and Community Renewal, charging that the new rent law passed in June by the state legislature is unconstitutional.

The real estate groups are the Rent Stabilization Association, representing 25,000 landlords, and the Community Housing Improvement Program, representing around 4,000 building owners.

The landlords are arguing that the new state law is "arbitrary and irrational" because it

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HPD adopts changes to M-L regulations

The city's department of Housing Preservation and Development has adopted amendments changing some Mitchell-Lama rules and regulations pertaining to priorities, shares, directors, vacated apartments and other issues. **See page 6** for a summary.

Strengthen MLRC
Join today (use form on page 2)

MLRC **General Membership Meeting**

Saturday, October 19, 2019 10:00 a.m - noon

NOTE: If weather is inclement, prospective attendees should call the MLRC hotline at 212-465-2619 after 6 a.m., to learn if the meeting's been canceled due to the weather.

CONTACT: Information@mitchell-lama.org
PLACE: 642 Washington Street, NYC 10014 (entrance on Christopher Street).
Subway trains: A, E, F, M, C to West 4th Street; No 1 to Christopher Street/ Sheridan Square.

Mitchell-Lama Residents Coalition
PO Box 20414
Park West Station
New York, NY 10025

Three Luna Park M-L officials charged with bribery in exchange for apartments

The president, treasurer and office manager of Luna Park Housing Corp., a Mitchell-Lama co-op in Brooklyn's Coney Island, were indicted in May on charges of grand larceny, conspiracy and forgery for allegedly taking bribes from applicants in exchange for allowing them to leap over the waiting list for the highly desirable apartments. The complex consists of five buildings comprising studios and units of one, two and three bedrooms.

According to the Brooklyn District Attorney and the City's Department of Investigation, applicants willing to pay the bribes were either current residents seeking to move from one apartment to another, people who had lived with owners and sought "successor ownership rights," and complete outsiders.

Bribes ranged from \$10,000 to \$120,000. In total, the officials allegedly collected \$874,000 over three and a half years (between January 1, 2013 and May 6, 2019) for eighteen apartments. In exchange, they prepared "false, forged and fraudulent documents" to HPD for approval.

The DA and the Investigations commissioner identified the officials as Anna Treybich, 71, Irina Zeltser, 66, and Karina Andriyan, 38, all of whom lived in the area.

Unfortunately for the regular residents, the indictments provoked Brooklyn Councilmember Chaim Deutch to withdraw a half-million dollars from Luna Park he had provided for security upgrades, after a rape in a stairwell in 2015. Deutch said he would reallocate the funds to other projects.

Former Bronx M-L sold to developers who plan to return the units to affordability

Highbridge House, a former 400-unit Mitchell Lama at 1133 Ogden Avenue in the Bronx, was sold to two real estate firms who partnered with the city's Housing Preservation and Development agency to restore the building to affordability.

The realtors, Camber Property Group and Berveron Partners, purchased the building for \$77 million, of which \$57 million was borrowed from New York Community Bank. The seller was Stellar Management, who had purchased the building in 2006 for \$19.5 million, realizing a profit of 192 percent. Stellar has purchased various other former M-Ls in the city in efforts to return all or most of

the apartments to the unregulated market.

The owners, in cooperation with HPD, plan to return the deregulated apartments at Highbridge to below market rents for forty years. They also plan to spend three million dollars to upgrade elevators and other building-wide systems.

NYS grants \$175.4 million for affordable units upstate

New York State is distributing \$175.4 million in grants to preserve or build 2,185 apartments in various regions. As part of the plan, the state granted \$15 million in the Capital region in July.

UPCOMING EVENTS

MLRC General Membership Meeting

Saturday, October 19, 2019
10:00 a.m. - noon

Members are urged to voice concerns regarding their developments, especially long- and short-term standing issues

**642 Washington Street
New York, NY 10014**

ENTER ON CHRISTOPHER STREET

NOTE: If weather is inclement, prospective attendees should call the MLRC hotline at **212-465-2619** after 6 a.m., to learn if the meeting's been canceled because of the weather.

For more information, e-mail: info@mitchell-lama.org

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JOIN THE MITCHELL-LAMA RESIDENTS COALITION 2019

INDIVIDUAL: \$15 per year; DEVELOPMENT: 25 cents per apt
(\$30 Minimum; \$125 Maximum)

Name _____

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City _____ State _____ Zip code _____

Evening phone _____ Day phone _____

Fax _____ E-mail _____

Current ML: Co-op _____ Rental _____

Former ML: Co-op _____ Rental _____

Development _____

President's name _____

Donations in addition to dues are welcome.

Preferential lottery policy reinforces racial segregation, new report claims

The City's efforts to give 50 percent of lottery preference to residents of neighborhoods where new affordable apartments are being constructed—a key provision of Mayor de Blasio's effort both to garner support for his affordable housing plan and to combat displacement in the face of gentrification—was condemned as perpetuating racial segregation in a [report](#) filed with the US District Court for the Southern District of New York.

In the report, published in April, the author, Andrew A. Beveridge, a sociology professor at Queens College and at the Graduate Center of the City University of New York, reviewed some 7.2 million lottery applications for over ten thousand affordable units from August 2012 to February 2017.

For the report, he analyzed 168 of the 185 rental lotteries where the city had “reconciled” the results of various types of the city's data, that is, had undertaken a process to confirm the accuracy of the data showing which households were awarded lottery units.

'Powerful pattern' of segregation

Beveridge found a “powerful pattern” showing that community preference (referred to by some as “outsider-restriction policy”) promotes segregation, regardless of whether the lotteries take place in a dominant white or dominant African-American neighborhood.

For example, he notes that in largely white areas, “White applicant households are helped and African Americans are hurt by the community

preference policy.” Likewise, “African-American households are helped and white (and Latino) applicant households are hurt” by the same policy when lotteries are conducted in largely black areas. In both cases, he asserts, the “relative difference between the dominant group and the other group(s) is large.”

The effect of the resident preference policy, in other words, is to reinforce the prevailing segregated nature of the city's neighborhoods. In the author's words, “The result of the operation of the community preference policy is a pattern that perpetuates segregation more (and allows integration less) than what would exist without the policy.”

Rebuttal report by City

After the report was highlighted in the media, the de Blasio administration responded by saying that “Ultimately, the overwhelming message we hear in each community is that people fear displacement and want to have an opportunity to remain in their communities, and community preference plays a critical role in addressing those issues.”

The administration also submitted a rebuttal to the court report, prepared by Bernard Siskin, a statistician with the city's Building and Land Development Services. In it, he criticized Beveridge's methodology, arguing specifically that it was based on subgroups rather than on the citywide population, and that it “conflates correlation with causation, never actually demonstrating the impact of the community preference policy.”

Parkledge former M-L in Yonkers, will remain affordable under new purchase

Parkledge, a former Mitchell-Lama and federal 236 development in Yonkers, NY, was purchased in September by the Hudson Valley Property Group for \$48.3 million. Most of the units are and will remain regulated, a result of a previous Low Income Housing Tax Credit land use restrictive agreement.

The purchase of the 311-unit development was arranged by CBRE Affordable Housing, a real estate services and investment firm. The new owners also received more than \$1 million in tax incentives for the planned renovations

from the Yonkers Industrial Development Agency.

Equity for the purchase came from the Hudson Valley Preservation Fund; in addition, the new owner will receive more than \$1 million in tax incentives for renovations from the Yonkers Industrial Development Agency.

The purchase was in keeping with the new owner's business practices, which entail acquiring various HUD-assisted housing using both traditional funding and tax credits, largely for senior projects and family residences.

HUD's new proposal would make it harder to prove discrimination

Soon After proposing a new rule to make it easier to evict entire families from public housing if at least one family member does not have proper immigration documents, HUD is now proposing a regulation to make it more difficult for tenants anywhere to sue for racial or gender discrimination under the federal Fair Housing Act, according to Politico, which obtained a copy of the proposal.

The new rule stipulates that tenants can no longer sue for discrimination merely by demonstrating that a company's or agency's policy has a discriminatory effect, even if it does not purposefully discriminate. This policy, which dates to 2013, has allowed large groups of tenants to secure remedies without having to prove that each tenant was personally and consciously discriminated against, an often impossible standard.

Under the proposed change, tenants would still have to prove such an effect, but would also have to demonstrate that the policy under dispute is “arbitrary, artificial and unnecessary” for the agency's or company's overall legitimate business goal. They would also have to prove that there is a “robust causal link” between a policy and the discriminatory effect.

According to the New York Times, a similar rule change is currently under review at the Education and Justice departments.

Legionnaire's Disease at Bronx M-L perplexes city health inspectors

Four residents of Tracey Towers, the largest Mitchell-Lama development in the Bronx, contracted Legionnaire's Disease during September, perplexing staffers from the city's Department of Health, who are now investigating.

The disease is frequently fatal, but is not transmitted from person to person. Rather it is contracted by inhaling a particular bacterium, which is water-borne, and often found in a building's cooling water towers. The staffers do not yet know why the residents came down with the disease, because the complex, at 40 Mosholu Parkway, has no such towers.

In a recommendation, the department urged residents to take baths rather than showers, use cold water to start perparing for tea, coffee or cooking, and wash hands thoroughly and often. Masks are not necessary.

Two groups of former M-Ls will regain affordability status

Two more groups of former Mitchell-Lama buildings, comprising around 6,800 apartments, will return to rent regulated status in business deals negotiated among several major real estate companies in the city. Both deals promise that the apartments will become affordable.

In one deal, **five developments** in Manhattan, containing around 2,800 units, will return to rent regulated status, thanks to a \$1.2 billion deal among four corporations: L+M Development Partners, Invesco Real Estate, Urban American, and Brookfield Asset Management. L+M and Invesco are the buyers; the other two are the sellers.

This deal requires L+M to spend \$50 million in capital improvements for the buildings, which are located in East and Central Harlem and Roosevelt Island. Funding came from L+M's Workforce Housing Fund, which secures money from banks and small investors for affordable units.

According to the deal, the only housing ever to be built on the site will be affordable. This will apply to any and all future landowners.

Putnam Portfolio

In the second deal, six Manhattan properties, known collectively as the Putnam Portfolio which includes 4,000 units, are being sold to L+M and Invesco. As with the first deal, these buildings were owned in part by Brookfield and Urban American.

Properties in this negotiation include 3333 Broadway near Columbia University; The Heritage at 1295 Fifth Avenue; The Miles at 1990 Lexington Avenue and The Parker at 1890 Lexington Avenue in East Harlem; River Crossing at 1940 First Avenue on the Upper East Side, and Roosevelt Landings at 552 Main Street on Roosevelt Island.

Specific details on the affordability issue for this project were not available as of this writing, but news reports on the deal mentioned Article XI, a New York State law, which pertains to reduced taxes--complete or partial exemption for up to forty

years--in exchange for some level of rents below market rate.

L+M loses Two Bridges case

Notwithstanding its self-promotion as a developer friendly to communities by supporting affordable housing, L+M, along with three other builders, recently lost a case challenging its efforts to construct four luxury towers--with a portion of the units slated for below market rents--in Manhattan's Two Bridges neighborhood.

Three suits had been filed against the project, which residents argued was way out of sync with the neighborhood, and which would not have gone through the Uniform Land Use Review Procedure (ULURP), the city's program to involve public participation in plans for developments that affect the community.

State supreme court judge Arthur Engoron ruled in August that the project, which had been approved by the City Planning Commission, must go through ULURP.

The suits had been filed by the City Council, Manhattan Borough President Gale Brewer, and a community group. L+M and the other developers promised to appeal.

City says 135,400 affordable units created since 2014

The City has financed the creation of more than 135,400 affordable housing units since the de Blasio administration took office in 2014. That number is roughly 45 percent of the 300,000 units the mayor has called for by 2026.

Data released in August by the mayor's office show that in fiscal 2019, the city financed almost 25,300 units. That is less than the more than 32,200 financed the year before. The difference, however, reflected a deal made last year with Starrett City, which agreed to keep five thousand units (out of fifteen thousand) affordable through Section 8 subsidies.

Among the boroughs, Manhattan got 9,800 units, Brooklyn more than 7,100, the Bronx more than 5,800, and Queens more than 2,400.

One thousand applicants for senior LGBTQ complex

Ingersoll Senior Residences, the city's first affordable housing complex for LGBTQ seniors in Brooklyn's Fort Greene community, received one thousand applications on its first day of its lottery.

The 145-unit complex, constructed on unused land of NYCHA's Raymond V. Ingersoll Houses, is the largest LGBTQ affordable housing project in the country. The building contains laundry facilities and recreational centers including a roof deck, and will offer social services provided by SAGE, which defines itself as "the country's largest and oldest organization dedicated to improving the lives of lesbian, gay, bisexual and transgender (LGBTQ) older adults."

In a related issue, HUD in May **proposed a new rule** to weaken access to shelters for homeless transgender people, by allowing federally funded shelters to deny admission on religious grounds, as well as to force transgender women to share bathrooms and sleeping quarters with men.

MLRC Developments

These developments are members of the Mitchell-Lama Residents Coalition

Individual Membership: \$15 per year
Development Membership: 25 cents per apt
(\$30 minimum; \$125 maximum)

Donations above membership dues are welcome

Adee Towers	Assn
Amalgamated Warbasse	Meadow Manor
Arverne Apartments	Michelangelo Apartments
Bethune Towers	109th St. Senior Citizens Plaza
Castleton Park	158th St & Riverside Dr. Housing
Central Park Gardens	Parkside Development
Clayton Apartments	Pratt Towers
Coalition to save Affordable Housing of Co-op City	Promenade Apartments
Concerned Tenants of Sea Park East, Inc.	RNA House
Concourse Village	Riverbend Housing
Dennis Lane Apartments	River Terrace
1199 Housing	River View Towers
Esplanade Gardens	Rosedale Gardens Co-op
Franklin Plaza	Ryerson Towers
Independence House	Starrett City Tenants Assn
Tenants Assn	St. James Towers
Independence Plaza North	Strykers Bay Co-op
Inwood Towers	Tivoli Towers
Jefferson Towers	Tower West
Knickerbocker Plaza	Village East Towers
Linden Plaza	Washington Park SE Apts
Lindsay Park	Washington Square SE Apts
Lindville Housing	Westgate Tenants Assn
Lincoln Amsterdam House	Westgate
Manhattan Plaza	Westview Apartments
Marcus Garvey Village	West View Neighbors Assn
Masaryk Towers Tenants	West Village Houses

Harvard: Tenants are most affected by increasing cost of housing

Almost half of all tenant households in the United States remain cost-burdened, even among those who earn higher incomes.

This is one of a host of findings by Harvard University's Joint Center for Housing Studies, presented in its 2019 [report](#) issued in June. The data, drawn from various government agencies, pertain largely to 2018 and 2017.

Issued yearly, the current report notes that renters are the most adversely affected by the rising costs of maintaining a home, although many households owning their homes also find their costs burdensome.

Still, among the most severely cost-burdened households, renters comprise nearly sixty percent, which amounts to up to 10.8 million of the 18.2 million severely burdened. And across the country, three-quarters of households earning \$15,000 or less were so burdened.

Although wages in general have been inching up (0.1 percent higher in June 2018 than a year earlier, and up 1.5 percent in June 2019, according to the [Bureau of Labor Statistics](#)), the increase has not made housing costs more affordable. That is because, as the Harvard report notes, regardless of tenant income, rents across the country are "rising at twice the rate of overall inflation."

Effects of high housing costs

Because the cost of housing for tenants is so high, the effects are drastic, especially for the very poor. "Among the lowest-income households, those who were cost burdened spent 13 percent less on food, 40 percent less on health care, and 23 percent less on transportation than similar households who were not housing cost burdened."

Beyond the declining ability to

NYCHA tenants appeal decision over lack of heat and hot water

Public housing authority tenants who lost a lawsuit against the agency for lack of heat and hot water last February are appealing the decision. The Legal Aid Society, which is representing the tenants, said that some 32,000 residents lost heat during the frigid winter of 2017-18. The suit was dismissed by a Manhattan Supreme Court judge, who ruled that the suit was preempted by an

agreement reached by the City and the US Department of Housing and Urban Development. But the deal did not prevent the boilers from malfunctioning again the following winter, adversely affecting even more tenants. A Legal Aid attorney noted that "NYCHA has a legal and moral obligation to ensure that heat and hot water systems are functioning properly."

purchase food, health care, and transportation services, a growing consequence of the ever increasing costs of housing is homelessness, the report noted. "Homelessness [nationwide] increased slightly for the second year in a row, reaching 552,830 people in 2018. The most drastic increase was among people who are not in shelters, as their homeless rates rose 2.3 percent across the country."

Some positive developments

The report is not all negative, however. Even as the number of affordable ("low-cost") housing units declines, overall "the share of US households paying more than 30 percent of their income for housing declined for the seventh straight year in 2017."

Still, a good deal of that progress was among homeowners rather than tenants. Indeed, the cost-burden on homeowners in general declined to its lowest level since the start of the century.

But not equally for all. Even among homeowners, housing cost disparities are evident. For example, the cost of relatively inexpensive homes rose nearly twice the rate (6.9 percent) of the cost of more expensive homes.

Impact on younger people

Another societal effect of ever increasing housing costs is that far more younger people are forced to live with their parents or grandparents than had formerly been the case. In 2017 that number was 10.2 million, or nearly double the rate for adults aged twenty-five to thirty-four in the year 2000.

The growing problem of unaffordability, which is moving up the income level, is increasingly a focus of state and local governments, rather than the federal government, the report notes.

Bill seeks to bar facial recognition technology in HUD-funded housing

A bill to ban biometric and facial recognition technology from federally-financed public housing was introduced in the House in August by Brooklyn Congresswoman Yvette Clarke.

Clarke's district abuts the Atlantic Plaza Towers housing complex in Brownsville, where tenants have been protesting the use of such technology on the grounds of privacy invasion and racial disparities.

Under the bill, "No Biometric Barriers to Housing Act of 2019," no HUD-funded development would be allowed to use facial, voice, fingerprint or DNA methods. The bill would apply to any development receiving any HUD "grant, loan, subsidy, contract, cooperative or other form of financial assistance."

Some cities already ban it

Several cities, including San Francisco, Oakland, and Somerville in Massachusetts have prevented their municipal agencies from using facial recognition technology, which is otherwise widespread in law enforcement jurisdictions. Overseas, it is widely used in China.

In the Atlantic Towers complex, tenants have argued that the technology is inaccurate (according to various studies, especially when it comes to people of color and children), and a potential threat to privacy because it would track and share tenant locations.

Atlantic Towers tenants, who have filed a challenge to the owner's application to install the technology in place of the traditional key system, also fear that it may be used in eviction proceedings, and may be shared by the US Immigration and other government agencies. The owner is the Nelson Management Group.

In a statement, Clarke said "Someone living in public housing should not be the guinea pig for the emerging technology of biometric facial screening just to enter their own home."

Beyond barring the technology, the House bill, co-sponsored by Congresswoman Ayanna Pressley of Massachusetts and Congresswoman Rashida Tlaib of Michigan, would require HUD to prepare a report to Congress on "the impact of emerging technologies on vulnerable communities in public housing, including tenant privacy, civil rights and fair housing," among other issues.

What happens when a rental building leaves the Mitchell Lama program?

By Sam Himmelstein, Esq.

Forming a tenants' association is key to reaching a favorable agreement with your landlord. A united group makes the tenants more powerful in dealing with him or her. It also makes hiring an attorney infinitely more affordable because resources are pooled.

The Mitchell-Lama program, created in 1955 as part of a push for urban renewal, produced affordable rentals and co-ops for middle-income New Yorkers. Some Mitchell-Lama developments are supervised by the State Division of Homes and Community Renewal, others by the City Department of Housing Preservation and Development.

Both state and city regulations include requiring the landlord to give tenants 365 days' notice of intent to leave the Mitchell-Lama program, via mail and postings in the management office and other conspicuous places in the building.

Issues on leaving: rent and services

Several issues can arise when a rental building leaves Mitchell-Lama, including the question of what the legal rent will be. Under rent stabilization law, if the building was built before 1974, when it exits Mitchell-Lama, it must enter the rent stabilization program, and the rent remains the same as it was before.

Tenants should make sure of what the last rent under Mitchell-Lama is, and to resolve whatever rent issues they may have. Otherwise, temporary surcharges and improper rent calculations may become permanent, so it is crucial to make sure the initial stabilized rent doesn't include those.

Another issue is what services—like a gym, outdoor space, laundry facilities, and parking—tenants will receive once the building leaves Mitchell Lama and enters rent stabilization. Under rent stabilization law, those services become permanent and required.

Keep an eye on your landlord

Landlords may try to curtail those services before the building comes out of Mitchell-Lama, or permanently provide them at a higher cost. It is important not to permit the landlord to mess around with those services.

Tenants should also watch out for a landlord who stops offering services to people on the waiting list, whether for an apartment or a parking space, before the building leaves Mitchell-Lama. Otherwise,

some landlords may try to warehouse apartments or withhold an amenity like a parking space that becomes available.

Finally, tenants should look closely at the regulatory agreement for their buildings and make sure the landlord is following it. Many of the deeds for developments contain restrictive covenants, and some of these covenants may be even more favorable to tenants than the Mitchell-Lama law. For instance, some buildings have to remain affordable for 50 years, others forever. Tenants should hire an attorney to review these covenants and make sure what rights they contain.

LAP agreements

All this applies to buildings that were constructed before January 1, 1974, but for those built after, tenants still may be able to secure affordable rents even after the building leaves the Mitchell-Lama program, through a Landlord

Assistance Program agreement.

LAP agreements grant some protected status to people in occupancy—they can stay in the apartment with moderate rent increases. But as those apartments become vacant, the next tenants have no such protections. Most of the post-1974 constructed buildings that have left Mitchell-Lama have entered into LAP agreements.

At bottom, forming a tenants' association and hiring an attorney with experience in Mitchell-Lama cases is the best way to protect yourself and your fellow renters, when your building leaves the Mitchell-Lama program.

Sam Himmelstein is a tenant attorney and partner at Himmelstein, McConnell, Gribben, Donoghue & Joseph in NYC. This article (slightly revised) appeared originally in Brick Underground 9/25/20.

HPD announces changes to rules affecting M-L tenants, cooperators

Applications for Mitchell Lama apartments may now be put on hold for only twelve months, and only one such application will now be allowed for anyone who remains on the waiting list.

This change is one of several embodied in amendments to the City's housing laws that went into effect on September 13. The amendments "revise and clarify" issues pertaining to Mitchell Lama developments, according to a release by HPD, such as limitations and priorities on admissions, status of shares in co-ops, and board of director elections.

As presented by HPD, the amendments will have the following effects, among others:

¶ Tenants/cooperators who wish to move to smaller apartments will still get priority, but now they will only get priority for the first three of every four apartments that become available;

¶ Non-refundable applications fees will increase from \$50 to \$70;

¶ Occupancy requirement waivers for any reason other than medical is pro-

hibited;

¶ The board of directors of a mutual housing company must discuss the reasons for a requested rent or carrying charge increase with the tenant or cooperator prior to any hearing;

¶ To establish primary residency, a tenant/cooperator must file a NYC Resident Tax return for every year of occupancy;

¶ Housing companies must now submit, at least forty-five days before a board of directors election, the proposed independent election company or other election monitor, the written director nomination and election procedures, and drafts of any other election documents.

¶ Stock Certificates will only have one name or the names of a married couple. The time to request for succession rights is upon the death of the legal tenant/cooperator or when the legally residing tenant/cooperator moves out.

The rule changes are not retroactive. The amendments are made to [Rules of the City of New York, Title 28, Chapter 3](#).

Affordable housing news from around the nation

Los Angeles: Homelessness up following rise in rents, evictions

Officials in Los Angeles are blaming a steady rise in rents and ensuing evictions for causing homelessness to rise for the third time in the past four years. Some 59,000 Angelenos are reportedly living on the streets or in automobiles, a twelve percent jump over 2018--notwithstanding \$600 million spent last year on new supportive housing and social services. Further north, in **San Francisco**, the homeless population has increased thirty percent since 2017, almost double an earlier estimate of seventeen percent.

Sonoma County, Calif: Voucher program to switch to lottery

Sonoma County officials will switch its housing voucher program from a waiting list--currently containing more than 26,000 people--to a lottery system. The new procedure, announced in June, is slated to provide housing for 500 people every two years, and will give preference to seniors and residents with disabilities. Preference for veterans who receive other housing program supports will be waived.

Seattle & Arlington County, Va: Amazon offers \$8 million for affordable housing

Amazon, one of the world's wealthiest corporations, will donate eight million dollars to address homelessness and affordable housing in Seattle and Arlington County, Va. Through September, the online retailer will match employee donations, up to five million dollars, to nonprofits addressing those issues. The firm announced the program in June, after lobbying to repeal a tax on large companies to fund homeless services. In a similar move, **Google** announced it will invest a billion dollars to create more affordable housing in California's Bay Area.

Atlanta, Ga.: Private homes altered for shared living spaces

PadSplit, an organization founded by former affordable housing developer Atticus LeBlanc, enables private developers to transform houses they own into shared living spaces for low-income multiple residents. Such houses have a common dining area, kitchen, and shared bathrooms. Units are limited to two people per room. Utility bills are included in

one monthly payment. Owners manage the building renovations and pay PadSplit a fee that derives from residents' payments.

Austin: Housing authority buys buildings for voucher tenants.

Because landlords in Texas are allowed to discriminate against tenants on the basis of source of income, the Austin housing authority is expanding its program acquiring private buildings and providing them at affordable rents for low- and moderate-income tenants. A recent acquisition was a 452-unit apartment complex in the southeast area of the city, purchased in partnership with a community development trust. Apartments there will be rented to tenants earning no more than 80 percent of median family income, or about \$48,200 for an individual and \$68,800 for a family of four.

Boston: Authority becomes first to set voucher rents by zip code

Boston's housing authority will be the first such agency in the country to voluntarily join a program, the Small Area Fair Market Rent System, that allows it to set voucher rents by zip code, instead of uniformly across the city. That will allow the authority to strategically set rents higher in areas where most voucher tenants are effectively excluded, because their stipends are less than what the areas' rents typically command. With the new vouchers--some of which can be \$1,000 or more than previously--recipients have a better chance of persuading landlords in wealthier neighborhoods to accept them.

Charleston, SC: Largest private affordable housing for sale

The largest privately owned affordable housing complex in the city went on sale in July, and officials are worried about how the loss of its 300 apartments will impact the area's lower income residents. Although some new below market rate buildings are in the pipeline--the city says it is prepared to spend \$40 million for such units--they will hardly offset the loss of Bridgeview Village. Throughout Charleston, nearly half a million low-income housing units are scheduled to expire by 2030, because rent restrictions are tied to the use of federal tax credits, which are themselves about to end.

Local Housing Briefs

Michelangelo Mitchell-Lama completes \$160 Mil. renovation

A \$160 million rehabilitation of the Michelangelo Apartments in the Melrose section of Queens has been completed, Gov. Andrew Cuomo announced at the end of May. The 44-year-old Mitchell Lama complex, containing over 400 units, used the funds for refinancing and renovations. Units in the complex will remain affordable for the next forty years. Renovations consisted of full kitchen and bathroom upgrades, energy-efficient boiler systems, and new elevators and refurbished lobbies and halls. Also upgraded was an underground parking garage and outdoor landscaping.

Gregory Russ named new NYCHA chairperson

Gregory Russ, recently the CEO of the Minneapolis Public Housing Authority, has been appointed the new chair of NYCHA by Mayor Bill de Blasio and HUD secretary Ben Carson. He will be expected to deal effectively with a massive collection of buildings that are home to some 400,000 tenants in 325 complexes, many of which are deteriorating from years of neglected maintenance. (The Minneapolis agency was far smaller.) He will also have to contend with an independent monitor who is expected to insist he meet strict deadlines in cleaning up mold and lead paint in many buildings, and repair elevators.

NYC to investigate shelter provider over ties to for-profit security firm

New York City is investigating Acacia Network Housing, a top operator of homeless shelters, over a contract providing security services to Sera, a for-profit security firm founded by Acacia's CEO, Paul Russi. The head of Sera, Jose Rodriguez, is also Acacia's chief legal officer. Both Acacia and Sera have denied any impropriety in their fiscal relationship.

Two options for developers in Staten Island rezoning plan

The City Council in June approved a rezoning plan for a section of Staten Island that would enable developers to select one of two options for affordable apartments: Either set aside a quarter of their new buildings' square footage for units to rent at \$1,441 a month for a household of three earning an average of \$57,660 or less; or a fifth of their sq. footage for an average rent of \$961 a month for households earning \$38,440 or less.

New state law protects tenants from soaring rents, evictions

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limited to a single unit, and the owner and his or her family must use that unit as a primary residence, not a second home. Further, regardless of the owner's intention, the owner-use argument cannot be used against a single unit if the tenant had been living there for at least fifteen years (which is less time than specified under the old law). And if the unit falls under the rent control system (as opposed to the stabilization system), an owner is not allowed to evict tenants.

Unlawful evictions: Landlords will now be charged between \$1,000 and \$10,000 per misdemeanor violation of a forceful eviction or illegal lockout of a tenant.

Security deposits: Owners are now allowed to charge new tenants only one month's rent for a security deposit. (In New York City today, deposits of two-months have long been the norm.) Further, the deposit must be returned within two weeks of the end of occupancy. If the return is less than the original deposit, the landlord must provide an itemized statement of the reason any portion was withheld.

Preferential rents: If an owner charges a tenant a rent that's below the legal regulated amount, he or she may no longer raise the rent to the full legal limit at a lease renewal (which often propels a tenant to vacate. An unstated goal of preferential rents was to hasten the removal of stabilized tenants.). However, if the tenant leaves, the owner can charge up to the full legal rent, as long as the tenant did not leave because of a lack of maintenance.

RGB-set rent hikes: The law now prohibits the Rent Guidelines Boards from setting additional increases based on the current rental cost of a unit or the amount of time since the owner was authorized to take additional rent increases, such as a vacancy bonus.

Maximum Base Rent: For rent controlled (not stabilized) tenants, the maximum rent increases will no longer automatically be 7.5 percent per year, as formerly. Now such rents will be pegged at the average of the last five years of the Rent Guidelines Board annual increases for one-year rent-stabilized renewals, or at 7.5 percent, which ever is lower.

The average RGB increases over the years has been considerably lower.

Rent overcharges: If a tenant feels that he or she has been overcharged rent, the state's division of Homes and Community Renewal can now review rent records dating back six years, up from four under the old law. Further, if the overcharge is proven, the treble damage penalty applies to the full six years.

Tenant blacklist: Landlords were formerly enabled to discover the name of any tenant who appeared in housing court, for any reason whatsoever, and could therefore refuse to rent to such tenant under the fear that the tenant is sophisticated enough to bring legal action. This blacklist has now been eliminated.

Co-op and condo conversion: Landlords wishing to convert a rental building into a cooperative or condominium must now show that at least 51 percent of the tenants will purchase their apartments.

Two-year-old falls to death at Linden Plaza

A two-year-old boy fell to his death from the sixth floor of his East New York, Brooklyn Mitchell-Lama building in September. The building is part of the Linden Plaza complex, which has suffered from years of safety hazards, contains 1,525 apartments.

City records show that the building where the child fell has such outstanding violations as failure to repair a cracked balcony slab, rodent infestations, fire damage and defective window guards.

Two years ago, Linden Plaza tenants filed a class action federal suit against the owner and federal and city agencies that negotiated a deal that allowed the owner, a unit of the DeMatteis Organizations, to refinance a mortgage through city agencies and Low Income Housing Tax Credits. The funds were intended to fund \$50 million in repairs and renovations. Rents were supposed to remain affordable for low-income tenants, but hazards remain and scores of tenants have had their rents rise beyond affordability, according to the tenants council.

Furious over new law, landlords sue both city and state

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violates the 14th Amendment's due process provision, and the Fifth Amendment's prohibition against taking property without just compensation.

Legal scholars, however, dismiss the likelihood of the suit's success. A recent article in the New York Law Journal noted that the state legislature has "broad powers and great due deference" regarding the regulation of property, "especially within the landlord-tenant context." Therefore, it would be "remarkable" that a judge would find the law unconstitutional.

Legal challenges to rent control date to World War I, but the Supreme Court has always upheld the right of localities to regulate rent. Nevertheless, owners are hoping that the current right wing direction of the Court's majority will provide a more sympathetic audience for their argument.

Glover leaves Tenants & Neighbors to join Pub. Advocate

Delsenia Glover has resigned as executive director of Tenants & Neighbors to accept a position as deputy public advocate for housing equity in the Office of the Public Advocate, headed by Jumaane Williams.

Ms. Glover, who has held several positions at T&N, has been active in tenant justice issues for the past fifteen years, beginning as the president of the Lenox Terrace Association of Concerned Tenants, and then moving on to Tenants & Neighbors as a campaign manager for the Alliance for tenant Power. She has also participated in activities involving other groups, including the National Alliance of HUD tenants.

Mt. Eden complex renovated under new HPD program

A six-story apartment complex in the Mt. Eden section of the Bronx will be the first to be completely renovated by a nonprofit group under an HPD program that provides technical support and down payment aid to buyers who seek to retain, or restore buildings to, affordability status. The 58-unit Bronx complex, in the borough's Mt. Eden section, was obtained by the Settlement Housing Fund. The HPD program is known as Neighborhood Pillars.