MITCHELL-LAMA RESIDENTS COALITION

Vol. 8, issue 4 FAX (212)-864-8165 WEBSITE: www.mitchell-lama.org January 2003

GENERAL MEMBERSHIP MEETING

SATURDAY, January 25, 2003

TIME: 10:30 a.m. - 12:30 p.m. (Refreshments at 10:30 a.m.)

PLACE: Countee Cullen Regional Library

104 West 136th Street (around the corner from the Schomburg Library)
No. 2,3 train to 135th St., (or) M1, M2, M7, or 102 bus to 135th Street

Invited Speakers: Congressman, Charles Rangel, State Assemblymember Scott Stringer, State Assemblymember (retired) , Ed Sullivan

HPD Screws Tenants

By Bob Woolis

December 7. HPD issued a letter of "no objection" to the owners of Skyview Towers, thus tendering its imprimatur to the buyout of the property from the Mitchell-Lama program. Skyview Towers is a 232-rental unit development located in Queens.

The owners on July 10 served notice to the tenants of its intent to buy out of the program. A required informational meeting was convened on July 29. The HPD letter of "no objection" was issued in early September. The entire buyout process was completed within sixty days. The development had a tenants association truer in name than fact. Bob Woolis of the Coalition and Joe Heaphy of Tenants and Neighbors addressed a group of tenants in a vain effort to stimulate the tenants to organize and hire an attorney. The entire buyout process destroyed a development that had been operating for more than thirty-two years. The tenants never had a chance to get together to protect their interests, and HPD, at best, was disinterested.

During this period, Bob Woolis in frustration submitted a letter/motion to HPD to the effect that per the Board of Estimate resolution " . . . that no change shall be made in the use of the land . . ." for a period of fifty years, i.e., the development was required to continue this policy for whatever remained of the fifty-year period. This argument was consistent with the Court of Appeals decision in the case of Columbus Park Towers v. HPD. HPD was the defending party. HPD, reversing its posture, effectively nullified the Court of Appeals decision. "Since the tenants will be protected by rent stabilization after a buyout and will not face large rent increases . . . HPD has provided its consent to this change in use." By this ruling, HPD denied impacted tenants the right to challenge buyouts on the basis of what is deemed to be a restrictive covenant.

The tenant body failed to organize, raise money, or hire an attorney to appeal the HPD ruling. The appeal was considered winnable. Tenant lassitude plus a hard-nosed unsympathetic HPD might just as well have been working in concert with the owners. The Mitchell-Lama community should have reacted reflexively. The HPD finding was,

Continued on Page 5

HAPPY NEW YEAR!

USE THE COUPON ON PAGE 2 TO JOIN THE COALITION

Mitchell-Lama Residents Coalition
P.O. Box 20414
Park West Finance Station
New York, New York 10025

Obesity: Crisis for Developed Countries

Peoples Weekly World, September 21, 2002

In the United States obesity in children of all races has increased two to three times over the past 25 years. In England, the rates for the same period are over two times.

Obesity in children has the same result as with adults, that is, hypertension, dyslipideaemia, chronic inflammation, increased tendency for blood clotting and related problems. Obesity in children results in a clustering of cardiovascular disease risk factors, known as the insulin-resistance syndrome, in children as young as five years of age. Obesity puts extreme pressure on the child's and adolescent's heart. Pulmonary complications, including sleep-disorders, breathing problems and asthma, can develop.

Obesity has extensive psycho-social consequences. Obese kids are routinely stereotyped as unhealthy, academically unsuccessful, socially inept, lazy and unhygienic. Pediatricians have documented negative self-image concepts starting as early as five. Sadness, loneliness, nervousness, and high-risk activities are quite commonly described.

As readers can imagine there is no simple answer to this major problem. Scientific research supports the obvious: more exercise and better diet are good beginnings.

Two researchers found, it is hard to envision an environment more effective than ours [in the USA] for producing obesity. For example, in the 1970s, children ate 17 percent of their meals away from home. By the mid-1990s that figure was almost doubled to 30 percent. Food consumption increased fivefold. Soft drink consumption almost tripled for girls and boys in the same time period.

There are 170,000 fast food restaurants in the U.S. alone. Advertising and marketing expenditures by the food industry are over $12.7 billion. Marketing campaigns are directed toward young kids.

By contrast, the budget of U.S. National Cancer Institute's good food program was $1.1 million in 1999.

The British journal, Lancet, identified what they call a common sense approach to the prevention and treatment of childhood obesity. These include healthy meals at home and at school. Eliminate unhealthy foods from vending machines. Protect open spaces for exercise activities.

Schools are extremely important. Teachers and counselors need to make sure that obese students are not isolated and made fun of. Intervention programs by schools are crucial.

But, they also recognize that public policy needs changing: tax fast food and soft drinks; subsidize nutritious foods, e.g., vegetables and fruits; prohibit fast food advertising around schools. And, finally, they hit upon a major cause of the whole problem, i.e., agribusiness and their massive financial contributions to political campaigns.

They call for regulations of political contributions by these purveyors of bad and dangerous foods.

Recently, some class-action suits by obese older people who are suffering from heart and pulmonary problems, copying the tobacco suits, are getting some national attention. Let's hope these solutions can stem the tide of children's obesity. The author can be reached at pww@pww.org.

JOIN THE MITCHELL-LAMA RESIDENTS COALITION, INC.

INDIVIDUAL $5.00 Per year- DEVELOPMENT 10 cents Per Apt.

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UPCOMING EVENTS

MEETINGS

GENERAL MEMBERSHIP

Saturday, January 25
10:30 am - 12:30 p.m.
Countee Cullen Regional Library
104 West 136th Street, NYC

Saturday, March 15
TBA

*EXECUTIVE BOARD

Saturday, February 8: 10:00 a.m. - Noon
Saturday, March 1: 10:00 a.m. - Noon
Saturday, March 29: 10 a.m.-Noon

EVENTS

Annual Tenant Lobby Day
Tuesday April 8

*Executive Board meetings are held at Columbus House, 95 West 95th St. corner of Columbus Ave., NYC

All dates are subject to revision. Please call the voice mail to confirm (212) 465-2619.

Mitchell-Lama Residents Coalition, Inc.

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Buyout at 20 Henry Street - Brooklyn

By James Kemp

"We've been left out in the cold," concludes Brooklyn resident Anita Karl, as she reviews her three-year struggle to hold on to her studio apartment at the edge of voraciously gentrifying Brooklyn Heights.

She and other tenants of 20 Henry Street, a 42-unit rental property owned by the Penson Corporation of the Bronx, have been fighting their landlord's attempt to buy out of the tax-abated Mitchell-Lama program and "go market" since August 1999. Karl and the other tenants, many in their sixties and on limited or fixed incomes, face de facto eviction, as their rents would balloon to $3,000 or more per month. The landlord claims he is simply exercising his contractual right to rent-gouge.

Across the street and down the block, tenants of another Mitchell-Lama project, a high-rise co-op, face quite a different scenario. There the champagne corks are popping, as residents who paid as little as $4,000 — and no more than $12,000 — for multibedroom coops are now selling out for over $500,000.

Both projects are part of the same urban-renewal project promulgated in the early '60s as a great and necessary public good — to provide affordable housing for middle and low-income tenants. The wildly divergent contrast between the fates of tenants from essentially the same background convincingly exposes the fatal flaw built into the Mitchell-Lama program — the "buyout clause." Because of this "incentive" loophole, landlords — and tenant-owners — are allowed to make obscene profits, while withdrawing thousands of units of taxpayer-financed affordable housing from the city's stock. Tenants paying rent in buildings occupied after January 1, 1974, find themselves priced out of neighborhoods that they have helped build, often over the course of 25 years or more.

Such is the case at 20 Henry Street, a building whose history poignantly illustrates the failed promise of the Mitchell-Lama program. A warehouse and chocolate factory built in 1870, it stood deserted and was marked for demolition as part of the Cadman Plaza Urban Renewal Plan of the early 1960s. Thanks to the intervention, vision, and perseverance of progressive architect Lee Pomeroy and the late Congressman Fred Richmond, a proposed parking lot became the first government-sponsored artists' live/work housing plan in the city. In 1975, the Middagh Street Studio Apartments became a functional reality.

The moderate-sized studio apartments were designed as open-plan spaces which artists working in various media could adapt to their needs. A photography darkroom, common gallery space, and a sculpture garden were also included in the building, giving the residents a means of connecting culturally with the surrounding community. The tenants helped turn what was then a neglected part of Brooklyn Heights into a safe, pleasant, creatively vital community. Yet after just one year — and in violation of all the landlord's contracts and agreements with the city — artists were no longer given priority in their application for tenancy.

Still, at least a third of the current tenants are working artists, struggling to maintain the reality of the building's original intended use. Only under pressure from the tenants and their lawyer did the city Department of Housing Preservation and Development finally acknowledge, on October 19, 2000, that the landlord had not only been warehousing apartments — and illegally residing in one of them — but more importantly, that all vacant apartments should, by right, be filled with qualified artists from the building's external waiting list. Since then, six artists have moved in.

The tenants have joined together and fought back, but the fight has taken its toll in time, energy, and legal costs. They have received active support from State Senator Martin Connor, Assemblymember Joan Millman, Borough President Marty Markowitz, and Councilmember David Yassky. On the advice of Assemblymember Vito Lopez, they went to Albany three times to lobby for a bill that would help them. It passed the Assembly 145-0, but went nowhere in the Republican-dominated State Senate.

Before Rudolph Giuliani was elected mayor, HPD sided with Mitchell-Lama tenants against questionable buyouts (e.g., Columbus Park Corp. v. HPD, 1992), with the city instead of the tenants picking up the legal costs of court cases. When Giuliani took office, that changed. At a May 22, 2000 hearing, HPD Deputy Commissioner Julie Walpert told the City Council that Mitchell-Lama developers could be in violation of many, if not all, aspects of their contracts with the city — but as long as they found the financing to pay back the mortgage to the city, they could buy out of the program, no questions asked. Promises Walpert made during that Council hearing — in particular that, after a buyout, senior citizens and low-income residents would have protections similar to those enjoyed by rent-stabilized tenants — have never materialized.

On Jan. 15, the Penson Corporation officially announced that the 20 Henry Street buyout was imminent, at a meeting with the tenants and many elected officials. Negotiations between tenants and the landlord reached an impasse after three meetings. The landlord's offers, such as a 25% rent increase the first year, followed by a 40% rent hike the next, and then market rates of $2,000, $3,000, or more per month by the third year, would have meant de facto eviction for all current tenants.

As their case goes forward, the tenants will be raising many potentially precedent-setting issues. The tenants claim, for instance, that although clauses in the landlord's contract with the city state that 20% of the apartments must be rented to low-income tenants, Penson has never made an active effort to bring such tenants into the building.

The tenants' case also scrutinizes the misleading wording of current HPD regulations, which clearly — and in considerable detail — state that after a buyout, rent-stabilization regulations would apply. Never is it stated that buildings completed after January 1974 are not subject to rent stabilization, and would therefore be allowed to charge market rents after a buyout. The regulations also state that after a buyout, senior citizens would receive benefits, such as SCRIE, that rent-stabilized tenants could expect. According to HPD, this would not be the case for the elderly tenants of 20 Henry Street.

"Over the years, the landlord and the regulatory agencies in charge of overseeing this housing program (HPD, HUD and DHCR) have systematically misled tenants into believing that their apartments would go into rent stabilization after a buyout," says Karen Zebulon, a resident and tenant leader. "This is even stated in current HPD Mitchell-Lama regulations." For instance, in 1990, tenants meeting with Philip Treibman, a HUD supervisor in charge of the 20 Henry Street project, were told unequivocally that the building would enter rent-stabilization after a buyout. To confuse the issue even further, for many years the landlord gave tenants leases that clearly conferred rent-stabilized status on their apartments.

It is now up to the courts to sort out the facts. And the tenants have dug in for the long haul, determined to have their say and their day in court.

James Kemp is a tenant leader at 20 Henry Street.

BUILDING BRIEFS

The following DHCR developments are facing rent increase preliminary applications within the next six months

CAROUSEL PARK, N. Tonawanda
CHATHAM GARDENS, Rochester
INWOOD HEIGHTS, Manhattan
MAPLE CENTER, New Rochelle
NAGLE HOUSE, Manhattan
PHIPPS PLAZA N., Manhattan
SENECA TOWERS, Rochester
SOUTHBRIDGE TOWERS, Manhattan
STRATFORD TOWERS, Bronx
SUNNYSIDE MANOR, Yonkers
WARBURTON HOUSE, Yonkers
WOODBROOK HOME, Auburn

WESTSIDE MANOR: This development has been in a buyout mode for ages, yet the Lefrak people have failed to act. Buyout was scheduled for July 2002; a rent increase of 75% was scheduled for the same time. HUD, seeing the error of its ways, has held up the rent increase.

IRAQ FOOTNOTE: gwb, can you spell cannon fodder? gwb, can you spell oil? Are we planning to blow the Iraqis to smithereens with weapons of mass destruction? Ah, but these are our weapons of mass destruction. Totally different. Night and day.

LANGUAGE: Buyout is becoming a commonly understood word.

SERVICE DESK: "It is a phenomenon that occurs only once every fifty years, sir, a roll of toilet paper with no beginning."

SKYVIEW TOWERS: This rental in Queens bought out of the Mitchell-Lama program in 60+ days. See the page 1 article.

THEOLOGY: If some clever person cloned God, would that signal the end of monotheism?

SUBMETERING: The New York State Energy Research and Development Authority (NYSERDA) has published a final report: Multifamily Dual System Energy Management and Submetering System. For more information or to request a copy of the report, telephone (toll free) 1-866-NYSERDA. The report, based upon an intense scrutiny of conversion at Waterside, forever puts to rest all arguments against submetering.

THIRTY PIECES OF SILVER: About two years ago, this newsletter published a full-page article explaining how Senator Goodman was able to defeat Liz Krueger, candidate for Senator, by just under 200 votes. At that time, Local 1199 (health and hospital) contributed $150,000 to Joe Bruno to support Republican candidates. This election, Dennis Rivera, poster boy of progressive unionism, went whole hog supporting the re-election of Pataki. He was bought off. The same is true of the New York Teachers Union. Other unions supporting or that supported Pataki were UNITE and HERE (Hotel Employees and Restaurant Workers). The Reverend Calvin Butts was early brought into the Pataki fold by appointing him the president of a university. Our betrayers are still waiting to receive their thirty pieces of silver. Senator Olga Mendez, erstwhile Democrat, is now a Republican. It's about time. No loss.

HPD DOES IT AGAIN: The prior issue of the newsletter had an article entitled "Is Your Surcharge Overstated?" This was based upon Art. 2/31 (see McKINNEY'S Book 41, page 87). This law excerpt set forth the statute that allows the adjustment of a surcharge if there is a change of economic circumstance. One desperate resident did appeal to Grenadier Continued page 5

News: Independence Plaza North

Late this September, the IPN Tenants Association announced that Larry Gluck, realtor, had contracted to buy the complex and that he intended to go fair market. IPN tenants apparently are not eligible for rent stabilization and are not protected by any land-use covenants (since IPN was considered above affordable housing even when it opened--the rents were a whopping $83 per room per month, until it got a 236 subsidy). Sticky vouchers? According to the Tenants Association Board, "Under this federal program, some low-income IPN tenants may get help pauying high rents. Remember that even if sticky vouchers are available, Congress must renew this program each year." The Tenants Association is asking $500 per tenant ($167 for RAP tenants) to hire a lobbyist to win the support of the Mayor and Speaker of the Assembly to force the new owner to sell to the tenants, so that IPN can become a limited-equity co-op and plan to get money from LMDC (Lower Manhattan Development Corporation) to finance it.

MLRC IMPORTANT NUMBERS

Voice Mail: (212) 465-2619

Fax: (212) 864-8165

Website: www.mitchell-lama.org

Dues-Paid Developments

MLRC strength comes from you, the membership. Support the Coalition's educational, advocacy and outreach programs with your membership dollars.

Individual Membership: $5
Development - 10cents per apt. ($25 minimum; $100 maximum)
Donations are welcome.

These developments are 2002 dues-paid members of the Mitchell-Lama Residents Coalition

ATLANTIC PLAZA TOWERS, Brooklyn
BETHUNE TOWERS, Manhattan
BOULEVARD TOWERS II, Bronx
BROOKLYN JEWISH HOSPITAL, Brooklyn
CANDIA HOUSE, Bronx
CASTLETON PARK, Staten Island
CENTRAL PARK GARDENS, Mahn.
CHARLOTTE LAKE, Rochester
CLAYTON APARTMENTS, Manh.
COLUMBUS HOUSE, Manhattan
CONCOURSE VILLAGE, Bronx
CO-OP CITY, Bronx
COOPER GRAMERCY, Manhattan
COURTPLAZA, Queens
DENNIS LANE, Bronx
1199 PLAZA, Manhattan
ESPLANADE GARDENS, Manhattan
FORDHAM TOWERS, Bronx
INDEPENDENCE HOUSE, Manhattan
ISLAND HOUSE, Roosevelt Island
JEFFERSON TOWERS, Manhattan
KNICKERBOCKER PLAZA, Manhattan
KSLM-WESTGATE, Manhattan
LAFAYETTE BOYNTON, Bronx
LEADER HOUSE, Manhattan
LIONEL HAMPTON, Manhattan
MASARYK TOWERS, Manhattan
PHIPPS PLAZA WEST, Manhattan
RIVER TERRACE, Manhattan
RIVER VIEW TOWERS, Manhattan
RIVERBEND, Manhattan
ROBERT FULTON TERRACE, Bronx
RNA HOUSE, Manhattan
RYERSON TOWERS, Brooklyn
SEA PARK EAST, Brooklyn
SECOND ATLANTIC TERMINAL, Brooklyn
SKYVIEW TOWERS, Queens
Concerned Shareholders of ST. JAMES TOWERS, Brooklyn
STRYKERS BAY, Manhattan
TENANTS AND NEIGHBORS
TOWER WEST, Manhattan
TRINITY HOUSE, Manhattan
TWIN PARKS SW, Bronx
VILLAGE EAST TOWERS, Manhattan
WEST SIDE MANOR, Manhattan
WESTVIEW, Manhattan
WESTVIEW, Roosevelt Island
WOODSTOCK TERRACE, Bronx

If your development has not received an invoice, please call the MLRC Voice Mail: (212) 465-2619. Leave the name and address of the President of your Tenants Association, Board of Directors, or Treasurer and an invoice will be mailed

LETTER FROM ESPLANADE GARDENS

September 27, 2002

Mr. George Savapoulos
U.S. Department of Housing
& Urban Development
26 Federal Plaza – Room 3200
New York, N.Y. 10278

Re: Esplanade Gardens, Inc.
Special Forensic Accounting Engagement
For Fiscal Years Ending
June 30, 2002, 2001 & 2000

Dear Mr. Savapoulos,

We are writing to call to your attention that the outside accounting firm that we have engaged to complete our annual audit, Rosen Seymour, Shapps Martin & Company LLP, have alerted us to a number of "irregularities" that require expansion of their original time schedule for delivering our cooperative corporation's Annual Financial Statement report. As a result of their work to date, they have now stated and the Board of Directors has concurred that a "forensic" accounting engagement is necessary.

A forensic analysis of the books and records of Esplanade Gardens, Inc. obliges our accountants to expand their audit scope of normal testing of transactions and procedures resulting in an increase in the analysis of accounting records and internal controls, with the ultimate goal that the financial statements that are ultimately issued, present fairly the financial condition of Esplanade Gardens, Inc. for the fiscal year ending June 30, 2002.

Such areas that will be thoroughly reviewed by our present auditing firm include:

1. All original checks from all bank accounts used by Esplanade for the past three fiscal years ending June 30, 2002, 2001 & 2000, perhaps requiring the hiring of handwriting experts and the assistance of our present banks.
2. Cash receipts analysis, including swimming pool receipts.
3. Contract review, including an analysis of the bidding processes leading up to the implementation of such capital improvements and other contracts. Also reviewing change orders of contracts, perhaps requiring consultation with outside independent engineers.
4. Vacancy analysis existing in the co-op.
5. Accounts receivable analysis including the tracing of monthly balances and write-downs, as well as subsequent collections procedures.
6. Payroll overtime and general payroll procedures as well as deployment and monitoring of manpower.
7. Equity accounts analysis.
8. Sales tax analysis.
9. Commercial lease review, including negotiating processes of all escalation clauses and management enforcement therein.
10. Internal controls and possible recommendations with regards to changes therein.
11. Professional fee analysis.

Although the cost involving this undertaking of a forensic engagement is quite high, we as the Board of Directors believe it is the appropriate step for nurturing Esplanade Gardens, Inc. back to a self managed cooperative development of the highest integrity.

Finally, as a result of this on-going special work, we ask the indulgence of HPD and HUD in delaying corporate elections, as a change in the Board of Directors or its officers at this time would not be prudent.

We look forward to any additional inquiries you may have and to that end we may be contacted at our management office.

Sincerely yours,
Georgia Kokason, President

Continued from Page 4: Building Briefs

Realty for an adjustment, which was summarily rejected. Thereupon, seeking justice, the appeal was presented to HPD and rejected without explanation. What's your story, HPD? Why! Why! Why?

LAKEVIEW: This DHCR Manhattan rental is waiting for the other shoe to drop. We are informed that the owner's attorney is perfecting an application for buyout. This is the same person who handled Skyview Towers. See the page 1 article.

For accounting/advocacy assistance, contact the Mitchell-Lama Residents Coalition (MLRC) — tel.: (212) 465-2619; fax: (212) 864-8165.

Continued from Page 1: HPD Screws Tenants

in fact, presented to Borough President Field's Task Force only to be met with stunning silence. There was, however, considerable excitement to protest an owner's charge for replacement of lost keys. Lassitude and HPD actions did the Skyview Towers tenants in. So be it.

Letter received from HPD in response to Bob Woolis' appeal appears on page 7

Mitchell Lama Residents Coalition: THANKS YOUFOR YOUR SUPPORTIN YEAR 2002

ALL TENANT MEMBERS AND DEVELOPMENT MEMBERS

SPECIAL DONATIONS FOR TENANT LOBBY DAY

Ruben J. Berkowitz
City Councilmember, Gail Brewer
Concerned Citizens for Community Action
Co-op City
State Assemblymember, Adele Cohen
Commu ity Free Democrates
State Assemblymember, Agriano
Espalillat
Manhattan Borough President, C. Virginia Fields
State Assemblymember, Herman D. Farrell
Friends of Esplanade Gardens
Friends of Kaufman
Knickerbocker PlazaPhipps Plaza
State Senator Elizabeth Kruger
Sea Park East

DONATIONS TO THE GENERAL FUND

State Senator, Eric Schneiderman
State Assemblymemter, Scott Stringer
State Assemblymember, Ed Sullivan

LETTERS TO THE EDITOR

Buyout at Phipps Plaza West: Sylvia Mendel's Thoughts

I've always known that any government assisted housing was vulnerable to developers' greed and the political climate at any given time. As a child alone in World War II, I suffered several forcible dislocations. Since the day we received management's "buy-out" letter, I have spent many sleepless nights, my concentration is impaired, and I am depressed much of the time, facing yet another dislocation.

We've been assured the protection of "sticky" vouchers. I've applied, advising others to do the same. Yet I'm unsure about the long-term reliability of this protection because any publicly-funded assistance is susceptible to new political regimes and corporate greed. One lawyer I consulted on my individual situation (who does some pro bono work for the American Association for Retired Persons) said, "Well, you've had a good run on subsidized housing." Resentment and hostility toward others in affordable housing runs deep. Still, I cling to the notion of "sticky vouchers," like a drowning person to a raft.

Increased longevity is a curse of women who outlive their partners and their financial resources. Many of these women don't eat much. They go to senior centers for the hot lunch that carries them through the day. They take home bread for the evening meal. I know. I've counseled some of those proud, newly poor and depressed women. Neither feminist groups nor elected officials have addressed this problem.

Nothing I've read on older people's health makes the connection between insecurity about housing and health/mental health. One of our tenants jumped to his death some weeks ago. No, we don't know if it was related to the uncertainty of our situation. However, he was upset after his "sticky vouchers" interview that day. It doesn't take much to push an ill or depressed person over the edge.

I'm 71 years old, a retired social worker. I specialize in treating and training others on the effects of trauma. I'm making some money now because of the burgeoning mental health needs of those affected by 9/11. Yet, there is no way I can ever afford market rate housing.

I wish fervently that I didn't have to depend on government for my home – one pays for such assistance with uncertain housing and certain humiliations. Can anyone tell me where people like me will live? Why should I at my age have to live in this constant state of anxiety? I've contributed greatly to this borough, this city, with my paid and unpaid work!

Where can I easily travel from to see my grandchildren? Where won't I need a car? Where can my children quickly check on me if I become more frail? Where is the neighborhood with services enabling me to stay independent? Perhaps those whose salaried "welfare" continues indefinitely from our taxes would like to send us out to sea on an ice floe as some Eskimo tribes are reputed to do with their elderly?

"But buy-outs are legal," say many developers, as if legality justifies cruelty. Our new Mayor, on Mitchell-Lama: "The government entered into an agreement with developers...and should not amend the rules once they have been established. The preferable alternative is to facilitate the construction and preservation of affordable housing." But what are you actually doing to preserve affordable housing, Mr. Bloomberg?

We elderly people vote in large numbers. There is subsidized housing throughout New York State. Count on the outrage of its residents. And remember the younger tax-paying citizens who live in subsidized housing. They are your future high-earners.

You, Mr. Governor and Mr. Speaker, have barricaded yourselves from the reality of our plight. But we, our extended families, friends and neighbors know about the bills you don't allow to surface on your desks. We will storm the barricades before November!

The views expressed here are not necessarily the views of the Mitchell-Lama Residents Coalition

Insignia Holds Buyout Meeting: Tenants Rally in Response

By Will Creed

In the largest gathering ever of West Village Houses residents, over 400 tenants met in the auditorium at PS 3 on November 6, to listen to three Insignia representatives discuss their plans to move West Village Houses rents to market rates.

The grim words, rigid format, and evasive answers to questions angered tenants and rallied them to fight the Insignia effort to force them from their homes. Overall, it was a public relations fiasco for Insignia and a mobilizing moment for the tenants.

State Senator Thomas Duane, Assembly member Deborah Glick and Councilmember Christine Quinn were in attendance and each spoke forcefully in support of maintaining affordable housing in West Village Houses not only for current tenants, but for future tenants as well. Our elected representatives all cited the important contributions that the tenants of West Village Houses make to the social fabric of New York City.

The evening started with Insignia refusing to allow the Tenants' Association to videotape the proceedings, claiming that it would be disruptive and distracting to the Insignia speakers. While Insignia was giving this explanation, two uniformed security guards escorted WVH resident and professional photographer, Howard Barash, to the front of the auditorium to prevent him from taking still photos of the meeting. Following the intervention of tenant attorney Carol Ule, consultant Ruth Lerner, and our elected representatives, Insignia reversed themselves and agreed to allow both the videotaping and the photography.

Sitting on an elevated stage behind a table were the owners' representative, Jeffrey Cohen, attorney Dale Christianson of the law firm Seward & Kissel, and Frank Merino, the public relations consultant for Seward & Kissel. Each rose in turn to address the assembled tenants. Also in attendance were one plain clothes and five uniformed security guards hired by Insignia.

Mr. Christianson read a prepared statement that reiterated Insignia's plan to pay off their existing mortgages on the property and free themselves of the existing Mitchell-Lama rent regulations. He stated that once the proposed buy-out of the Mitchell-Lama program was completed sometime in January of 2003, West Village Houses tenants would not be protected by any other rent regulations, including rent stabilization. This would allow Insignia to charge whatever rents the market will bear. He added that their estimate of current market level rents is on average about three times the rents tenants now pay. He also stated that all leases that expire prior to the completion of the buyout process will be renewed under existing Mitchell-Lama regulations and will remain in effect for the duration of the lease.

Next our elected officials were invited to speak. Senator Duane stated that the tenants and their elected representatives were there to save our homes and to preserve affordable housing in New York City. Looking out at the assembled tenants, Duane proclaimed, "There is an awful lot of power in this room!" Assemblymember Glick pointed out, "West Village Houses is in the best tradition of what Jane Jacobs cast as a neighborhood for real people to live in." She added, "The {buyout} process must ensure that the neighborhood survives for the future of those who live here and not just for those who make a profit today." Councilmember Quinn referred to the list of occupations of West Village Houses tenants as "looking like God's work written on a piece of paper." Quinn urged tenants to stand together in a unified fight to maintain our homes and community. She also referred to a conversation with HPD Commissioner Jerrilyn Perrine in which the Commissioner revealed strong interest and familiarity with the proposed West Village Houses buyout.

The Insignia PR consultant, Frank Merino, then sternly read the rules governing the question and answer period that was conducted by "owners' representative" Jeffrey Cohen. Tenants were told they must ask questions, not make statements; that the questions could not be personal in nature; and that all speakers were required to state their names and addresses so they could be recorded. The clear intent of the rules was to control and intimidate the potentially unruly crowd. Tenants responded by proudly announcing their names and even offering up the correct spelling. The intimidation had failed.

One-by-one, 30 West Village Houses tenants lined up at the microphone to ask their questions and express their views to the Insignia representatives. The tenant questions were intelligent, direct and appropriate. The answers were calculated to provide as little information as possible, angering many of the tenants who felt that Insignia was proceeding with a mandated information meeting with little concern for the lives of the 1,200 long-term residents of West Village Houses. Many tenants pointed out that under Insignia's plan, the vast majority of tenants, including retirees on fixed incomes, the disabled, and low-income residents, would be forced out of their homes and most likely out of the City.

By the end of the evening, Insignia had so alienated tenants with their cold, impersonal manner that tenants left the meeting determined more than ever to stand united in protecting our homes and our neighborhood from the nameless, faceless owners of West Village Houses seeking to make an unseemly profit at the expense of tenants.

HPD Response to Skyview Towers Appeal

C. Virginia Fields letter to Mayor Bloomberg

Mitchell-Lama Gospel: According to Senator MacNeil Mitchell

Al Lama (Democrat) and MacNeil Mitchell (Republican) were the bi-partisan sponsors of legislation that subsequently became known as the Mitchell-Lama law. Of the two, Mitchell was by far the leading supporter of this legislation. Senator Mitchell was a member of the State legislature from 1939 through 1964, a member of the Assembly from 1939 to 1947 and a Member of the Senate from 1948 to 1964. Both as an Assemblymember and a State Senator he served as Chairman of the Joint Legislative Committee on Housing and Multiple Dwellings (hereafter "JLC") from the mid 1940s through 1962. Al Lama served as Secretary.

Most of the story that follows is told in the actual words of Senator MacNeil Mitchell. He expresses, of course, his singular point of view.

"In the early 1950s, as a result of hearings conducted in New York City and elsewhere throughout the State, I and other members of the JLC became gravely concerned about the lack of affordable housing for the forgotten middle-income families throughout the State. Public housing in those days had rents of $7 and $10 per room per month while new conventional, non-assisted housing was renting at between $35 and $40 per room per month. There simply was no housing being built for families whose incomes were too high for public housing but could not afford the then rents of new conventional housing. On information and belief, the same affordability gap exists today (1987-editor).

"After extensive deliberations, the members of the JLC determined that, by taking advantage of certain provisions which had been added to the State Constitution by the Constitutional Convention of 1938, it would be possible to bridge the gap between public and conventional housing and alleviate the plight of thousands of families unable to find decent housing accommodations they could afford by providing: low interest, tax exempt financing and municipal tax exemptions to corporations regulated by law as to rents, profits, dividends and disposition of their properties.

"Thus, in 1955, the JLC proposed, and the Legislature enacted, the Limited-Profit Housing Companies Law. The new law provided for the making of low interest mortgage loans to special statutory corporations, to be known as "Limited Profit Housing Companies," for the construction (and later rehabilitation) of housing developments for families whose housing needs could not be readily provided by the ordinary unaided operations of private enterprise.

"Consistent with the constitutional mandate, the statute provided that the stockholders of the new corporations would be limited to a six percent annual return on the equity invested in each housing development and that the rents of each such housing development would be regulated by the State Division of Housing or, in the case of a development aided by a municipal loan, by a municipal "Supervising Agency." (e.g. HPD – Editor). Also municipalities were given the right to grant partial real property tax exemption to such developments.

"Initially, such limited profit housing companies were prohibited from voluntarily dissolving for a period of thirty-five years, and then only with the consent of the State Commissioner of Housing or the supervising agency, as the case may be. After two or three years, however, it became apparent to me and to the other members of the JLC that very few housing developments were being attracted to participate in the new program. While the low interest loans and municipal tax exemption enabled the developments to be built and rented at low costs, the limited 6% annual return and lack of potential appreciation were serious disincentives to private sector involvement; some other incentive appeared to be necessary to stimulate private investment.

"After consulting with a number of prominent civic and community organizations well versed in housing matters, with whom we always maintained a close liaison, as well as with prominent real estate developers, financial experts and other interested parties throughout the State, the members of the JLC determined that the prohibition of voluntary dissolution for thirty-five years, and then only with the consent of the Commissioner, was the primary disincentive to private sector involvement. ***Thus, in 1958, the JLC proposed, and the Legislature a fifteen year voluntary dissolution period without the consent of the Commissioner.*** The amendment provided that, upon such voluntary dissolution, and the payment of all mortgage loans and other indebtedness and expenses, any municipal tax exemption would terminate and the stockholders of the dissolved housing companies would be free to operate or sell their housing developments at market rates without regard to the limitations and regulations of the Mitchell-Lama law.

"A year later, in 1959, because our further studies indicated that the provision of an additional five-year period during which the tenants would be protected from deregulation upon dissolution would not significantly reduce the attractiveness of the program to private developers, we changed the fifteen-year period to twenty years where, to the best of my knowledge and belief, it remains to this day (1987 – editor). This twenty-year voluntary dissolution provision in its entirety became a permanent essential element of the successful statutory scheme to encourage private free enterprise to invest in these regulated companies and soon resulted in a flood of applications from prospective sponsors and an immediate spurt in building activity throughout the State. In response to this demand, in 1960 the JLC crafted, and I sponsored, legislation creating a New York State Housing Finance Agency ("HFA") with the power to issue and sell up to $500 million of tax exempt mortgage revenue bonds to provide a better source of funding for the Mitchell-Lama program, which led to still further increases in program activity.

There, you have it: the Mitchell-Lama story according to Senator MacNeil Mitchell and all in his own words. There is no doubt that the Mitchell-Lama program represented an achievement. Nevertheless, Senator Mitchell did not reveal his entire role nor did he detail the profits that accrued to himself and his friends in the real estate community. The Senator and the JLC were well-intentioned in respect to meeting the housing needs of the lower/moderate/middle income population, but this did not preclude making a buck or two. What could have been an extraordinary achievement was, in the end, contaminated by the inherent nature of the real estate industry and the relationship to the political community. Both Assemblymember Lama and Senator Mitchell personally profited. Lama picked up architectural business, and Mitchell became a focal point for additional law business. Quid pro quo.

There is considerably more to be told. Senator Mitchell's story is benign and wholly incomplete. It is grist for a subsequent article and not at all inspiring.