

MITCHELL-LAMA RESIDENTS COALITION

Vol. 11, Issue 3
June, 2005

FAX (212)864-8165

WEBSITE: www.mitchell-lama.org

Poor People have a Claim on all of us Except for Some Politicians
in Albany and NYC!

WHO SUPPORTS A WEST SIDE STADIUM?

By Robert Woolis

The vast part of Mitchell-Lama residents stands vehemently opposed to the construction of a West Side stadium. Listed below are those legislators known to have declared themselves in support of a stadium: It is suggested that Mitchell-Lama residents confront legislators in New York and Albany and let them know where Mitchell-Lama residents stand on this issue.

ASSEMBLYMEMBERS: Peter Abate; Michael Benjamin; Michael Cohen; Steven Cymbrowitz; Reuben Diaz, Jr.; Michael Gianaris; Susan John; Miguel Martinez; Nellie Mayersohn; Brian McLaughlin; Matthew Mirones; Catherine Nolan; Clarence Norman; Jose Peralta; Nick Perry; Audrey Pheffer; Adam Clayton Powell; Phil Ramos; Jose Rivera; William Scarborough; Frank Seddio; Anthony Seminerio; Michele Titus; Daryl Towne; Keith Wright.

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Others: Congressman Gregory Meeks; Congressman Charles Rangel; James Molinaro, Borough President, Staten Island; Governor George Pataki; Mayor Michael Bloomberg.

The pro-stadium people support stadium construction and cite the following benefits: millions of dollars in new tax revenue; thousands of jobs; a venue for major events; New York's Olympic dream; renowned restaurants; community revitalization.

We Mitchell-Lama residents, on the other hand, support the construction of affordable housing in lieu of the stadium. Check it out. We are interested in your letters.

Mitchell-Lama
Residents Coalition
Street Fair
Sunday, June 26

Support
MLRC
Join
Today!

Use Coupon on Page 2

GENERAL MEMBERSHIP MEETING SATURDAY, June 18, 2005

Time: 10:00 a.m. - 12:00 p.m. (Refreshments at 10:00 a.m.)

PLACE: Musicians Union Local 802

322 West 48th Street (near 8th Avenue) Ground Floor, "Club Room"

TRAINS: No. 2,3 train to 50th St. and 7th Ave.; Q,W trains to 49th St. and Broadway; E train to 50th St. and 8th Ave.; D,F trains to 47th-50th St. and 6th Ave..

BUS: Crosstown M50: westbound 49th Street; Bus 7,10,11 to 48th St.

INVITED GUESTS:

State Assemblymen, Keith Wright and Robert Diaz, Jr.

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

ASSEMBLYMEMBER SCOTT STRINGER

Invites you to a Housing Forum on Code Enforcement

Please join Assemblymember Scott Stringer, Chair of the Assembly Committee on Cities, at a public forum featuring code enforcement experts from the NYC Departments of Buildings (DOB), Housing Preservation & Development (HPD), Health & Mental Hygiene (DOHMH), and Environmental Protection. Come learn from various city agencies about their code enforcement process, how you as tenants can better navigate the system and preserve the quality and availability of your homes!

DATE:
Saturday, June 18, 2005

TIME:
2pm – 4pm

PLACE:
Fordham University, Pope Auditorium, 113 West 60th Street, between Columbus and Amsterdam Avenues. ****There is ramp access in front of the building.**

RSVP:
Please RSVP by June 10th via email (saveyourhomes@scottstringer.com) or call 212-873-6368.

UPCOMING EVENTS

GENERAL MEMBERSHIP

Saturday, June 18, 2005
10:00 a.m. - Noon
Musicians Union Local 802
322 West 48th Street
NYC

*EXECUTIVE BOARD Meetings

September 17, 2005
10:00 a.m. - Noon
TBA

MLRC Street Fair
Sunday, June 26, 2005
Columbus Avenue
(between 86th and 96th Street)
NYC

*Executive Board Meetings are held at RNA House, 150-160 West 96th Street (between Columbus and Amsterdam).
All dates are subject to revision. Please call the voice mail to confirm (212) 465-2619.

JOIN THE MITCHELL-LAMA RESIDENTS COALITION, INC.

INDIVIDUAL \$10.00 per year DEVELOPMENT 15 cents per apt.

(\$25 Minimum; \$100 Maximum) **2005**

Name _____

Address _____ Apt. _____

City _____ State _____ Zip Code _____

Evening Phone _____ Day Phone _____

Fax _____ E-mail _____

Development _____ Check: Renewal ___ New Member ___

Mail to: MLRC, P.O. Box 20414, Park West Finance Station, N.Y., N.Y. 10025

MLRC fights for you and your right to affordable housing!

Mitchell-Lama Residents Coalition, Inc.

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U.S. Plans New, Deep Cuts in Housing Aid

By David W. Chen-New York Times-April 8, 2005

The New York City Housing Authority could lose up to \$166 million, or almost a quarter of its annual federal subsidy for operating costs, under a new cost-cutting proposal by the Bush administration that could force dozens of housing agencies nationwide to fire maintenance workers, reduce services or close buildings.

If the changes sought by the administration take effect, they will result in one of the biggest cuts since Washington first began subsidizing housing: as much as \$480 million, or 14 percent, of the \$3.4 billion federal budget for day-to-day operations, including labor, maintenance, insurance and utilities, at the nation's 3,100 housing authorities. Housing authorities in New York State would be among the hardest hit, under a new formula that works against older urban areas.

"I've never seen anything this devastating in public housing," said Stephanie W. Cowart, executive director of the Niagara Falls Housing Authority, which would lose nearly half of its \$3.6 million subsidy, according to an analysis of spending data by two housing authority trade groups.

The proposed changes, several officials of housing authorities said, represented a turnabout from an agreement they believed they had made with the Housing and Urban Development Department last June. The administration has for several years advocated a new formula that would redistribute billions of housing dollars toward rural and southern areas and away from older urban areas in the Northeast and Midwest. Officials in those urban areas had negotiated a compromise they believed would minimize the cuts to their programs.

But last month, while Congress was in recess, the housing department began circulating a new proposal on Capitol Hill for far deeper cuts that bore little resemblance to that agreement, according to housing advocates and Congressional aides. Instead, the housing agencies that were supposed to gain federal subsidies will gain much less, and those that lost money will lose much more. Four of the five agencies with the deepest cuts are in upstate New York. The proposal, whose changes would take effect in 2006, comes at a time when the administration has vowed to reduce discretionary government spending for the first time since President Bush came into office. Indeed, Michael Liu, HUD's assistant secretary for public and Indian housing, said in an interview that housing agencies had been warned for months that "there was always the possibility of changes," especially "in an era of tight budgets on the domestic front."

But Mr. Liu noted that the proposal was preliminary, and subject to public comment and future adjustments. He also said that it was vital for agencies to focus on the broader goal of making public housing run more efficiently.

"For a housing authority that has been on a particular diet for, say, 40 years, facing a different kind of diet, cutting out fats and sugars and other stuff that tastes good – well, it's tough to change, and that's a natural reaction," he said. "But in the long run, it's going to make us more effective, more efficient."

The new proposal may represent a starting point for another round of negotiations, and the numbers are likely to rise after Congress weighs in. But in the meantime, housing agencies say the proposal will hamper their ability to provide even rudimentary services for many of the 3 million Americans who live in public housing.

Maintenance and repairs could be deferred for months, they say, and day-care and job-training programs could be eliminated. Buildings could be mothballed, maybe even sold.

"It would likely have a significant impact on our personnel, and that obviously has a long-term deleterious effect," said Douglas Apple, general manager of the New York City Housing Authority. "Less maintenance workers to fix the leaks is less maintenance workers, and more leaks."

The compromise formula agreed to in June would have resulted in more money for two-thirds of all agencies, and a maximum loss of 5 percent for the losers. But under the new proposal, which Mr. Liu said emerged after consultations with the White House Office of Management and Budget, the 5 percent loss cap and other provisions intended to minimize cuts would be eliminated.

With \$185 million in projected annual losses to be phased on over five years, New York would be the hardest-hit state, chiefly because the formula does not fully take into account the age of its housing developments and its civil service and union costs, housing groups say.

The Syracuse Housing Authority, for instance, would see its federal operating subsidy drop from roughly \$9.5 million to less than \$7 million, according to Frederick R. Murphy, its executive director. The Albany Housing Authority would see a cut of roughly \$1.2 million to its subsidy of \$5.9 million, said Steven T. Longo, its executive director.

Both of the state's senators, Hillary Rodham Clinton and Charles E. Schumer, expressed outrage yesterday, with Mrs. Clinton sending a protest letter to Alphonso R. Jackson, the housing secretary, and Mr. Schumer confronting Mr. Jackson after a Congressional hearing.

"Of all the knives that HUD has put in New York City's back, this is the longest and deepest," Mr. Schumer said in an interview. "I've never seen anything like this in the magnitude of the cut and the sneaky way in which it was delivered."

But Mr. Liu argued that New York agencies had been "over subsidized extensively for a long, long time," and that the New York City Housing Authority alone had \$400 million in reserves, which could be used to offset the losses. And he said that the new rule allowed authorities many ways to justify an increase.

"I'm confident that those who are concerned, once they sit down, they will get over it, and deal with it," Mr. Liu said. "You have some smart people out there, and they may not like some of the changes, but they will find a way to work with them."

Call to Action! Stop Housing Bill Which Will Harm Lowest - Income Families

Call all Senators and Representatives toll free (888) 818-6641.
(Ask to speak to staff person who covers housing.)

TELL THEM YOU STRONGLY OPPOSE the State and Local Housing Flexibility Act and YOU WANT CONGRESS TO REJECT IT!

Senator Wayne Allard (R-CO) has introduced HUD's "State and Local Housing Flexibility Act of 2005" (SLHFA) in the Senate (S.771) on April 13, 2005 and Representative Gary Miller (R-CA) introduced companion legislation, H.R. 1999, in the House on April 28, 2005.

SLHFA will drastically change how affordable housing programs operate and reduce the number of extremely low-income families and individuals – those with incomes below 30% of Area Median Income (AMI) – who will benefit from public housing and the Section 8 voucher program. **WE MUST STOP THIS BILL!**

SLHFA will make the following changes in Public and Assisted Housing, among others:

Income Targeting:

SLHFA allows 90% of vouchers to go to households with incomes up to 60% of area median. Nationally, 84% of severely cost burdened renter households have incomes below 30% of area median income. Today, at least 75% of vouchers must go to households with incomes below 30% AMI. The bill represents a mismatch between known housing needs and use of federal resources.

Rents:

In both the public housing and voucher programs, the bill would allow rents to no longer be tied to incomes, which currently keeps rents affordable to low income people. The bill would allow housing authorities to establish their own rent policies, which may or may not be affordable to people with low-income households.

Time Limits

The bill allows housing authorities to establish time limits for participating in the voucher program.

Portability:

The bill greatly restricts portability and poses other serious fair housing and civil rights problems. On portability, only certain housing authorities could port a voucher to other authorities, and even then only with a written agreement.

Enhanced Vouchers:

Currently, residents are protected with enhanced vouchers if owners of HUD multifamily properties prepay on their mortgages or opt out of renewing project-based Section 8 contracts, under SLHFA, enhanced vouchers will only be good for one year then they are converted to regular tenant-based vouchers. Over 60,000 tenants with enhanced vouchers would be forced to move and find housing they can afford with a regular voucher.

Moving to Work

Any housing authority could apply to be a Moving to Work site. As such, most housing requirements would no longer apply or could be waived (except for public housing demolition/disposition rules). A housing authority's funds could be transferred and/or merged between the public housing operating and subsidy funds and the voucher program.

See NLIHC website for more information on this legislation's impact on low-income families. Please report back on your calls to Craig Stevens at craig@nlihc.org

National Low Income Housing Coalition
www.nlihc.org

BUILDING BRIEFS JUNE 2005

The following DHCR developments face rent increase applications within the next six months:

CARNES-McKINNEY, Bronx
 MEADOWS, New Hartford
 PARK DRIVE MANOR, Rome
 RUTLAND ROAD, Brooklyn
 TWIN PARKS NE, Bronx
 HARBOR VIEW, Brooklyn
 MAIN STREET, South Fallsburg
 PINE HARBOR, Buffalo
 WARBURTON, Yonkers
 CENTRAL TOWERS, Albany
 FT. SCHUYLER, Bronx
 KNICKERBOCKER, Manhattan
 PLYMOUTH GARDENS, Rochester
 SENECA TOWERS, Rochester
 MAYFIELD APTS., Potsdam
 SEA RISE I, Brooklyn
 SEA RISE II, Brooklyn
 BAPTIST MANOR, Buffalo
 ORLOFF TOWERS, Bronx

HAS EVERYBODY DETERMINED BY NOW THAT IT IS IMPOSSIBLE TO BEAT THE OWNER-CONTROLLED BUY-OUT LEGISLATION?

Albany, Tuesday, April 12, at 10:00 a.m., approximately 500 souls congregated in the Hearing Room of the Legislative Office Building for the annual meeting of the Mitchell-Lama Residents Coalition. The purpose was for coalition members to network amongst themselves and to visit of the state legislators. The latter activity is popularly known as lobbying, presumably resulting in passing favorable legislation.

Insofar as legislators are concerned, visits are mostly accepted. Most legislators look upon these visits with scorn, but without objection. They understand that the Coalition comes to Albany just once a year and then things return to normal when the tenant visitation, of perhaps thirty minutes, dissipates and everyone goes separate ways. Tenants are invariably proper and well behaved, and legislators listen carefully. Change is nil typically, with the return to normal.

It is suggested that justice will be served if tenants express their feelings as objectively as possible and then make arrangements to meet with legislators in the City as often as possible. Home visits will remind both tenants and legislators that tenants are around all year and just, maybe, start to hold legislators accountable for their political behavior.

HPD Code Violations On-Line. Look up your building! At long last, the HPD violations terminal is available on-line. If you go to the following HPD website, you should be able to get an up-to-date list of violations on a building.

www.nyc.gov/html/hpd/html/data/hpd-online-portal.htm/

H-U-B-R-I-S. Sometimes when a man spends too much of his time posing for pictures and looking in the mirror, he contracts a disease know as H U B R I S. It can cause foolishness, braggadocio and blindness. See also: arrogance, unexamined assumptions of.

Mixed housing in Vienna, Austria, a way of preventing segregation: After a waiting period of one year at most, people seeking accommodation in Vienna can move into one of 220,000 attractive council-owned flats. The lucky ones get their own roof-top terrace, or access to an indoor pool. And the rent is rational.

This column is by Robert Woolis, who may be reached at 212-864-8165 (tel/fax) for info re rent increases, buyouts and other Mitchell-Lama housing matters .

Message from Assemblyman Keith L.T. Wright

To say passionate debate has been sparked by the proposed West Side Stadium would be, at the very least, an understatement. I have no doubts that those who opposed this project are well-intentioned, and well-meaning. That said, there are some issues that stadium opponents fail to acknowledge.

The Community Service Society has noted that far too many African-American and Latino men are unemployed. In today's economy, you might imagine that jobs are not out there waiting to be snapped up. This historic plan will transform the underutilized West Side, grow New York's convention industry and is expected to generate more than \$1 Billion in city and state tax revenue, 7,287 construction and almost 7,000 new permanent jobs and \$72 million will be going to police and teachers.

Aside from the lure of economic development, there is an issue at which some might sneer: the prospect for the Summer Olympics returning to American soil for the first time in 10 years, and the fact that a National Football League team will be playing its home games in New York City for the first time in 28 years. Regardless of what some might think, sports provide not only a pleasant diversion to general public, they play a role in civic pride, and the many of the best athletes serve as quality role models for our children.

We have a chance to ensure that millions of dollars a year that are spent in East Rutherford and the surrounding communities in New Jersey will again be spent in our city and our state.

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: \$10
 Development - 15 cents per apt. (\$25 minimum;
 \$100 maximum)**

Donations above the membership dues are welcome.

These developments are 2005 dues-paid members of the Mitchell-Lama Residents Coalition

Atlanta Plaza	Independence Plaza	River View Terrace
Bay Towers	Island House	RNA House
Bethune Towers	Jefferson Towers	Robert Fulton Terrace
Central Park Gardens	Knickerbocker Plaza	Ryerson Towers
Clayton Apts	Lincoln Amsterdam Houses	St. James Place
Columbus House	Lionel Hampton	Second Atlantic Terminal
Concourse Village	Manhattan Plaza	Sea Park East
Coalition to Save Affordable Housing (Coop City)	Masaryk Towers	Skyview Towers
Court Plaza	Michelangelo Apartments	Tilden Towers
Dennis Lane	New Amsterdam House	Tower West
Eastwood	Parkside Development Inc.	Trinity House
1199 Housing	Phipps Plaza East	Village East Towers
Esplanade	Pratt Towers	West Side Manor
Fordham Towers	Promenade Apts...	West Village Houses
Independence House	Riverbend Housing	Westview Apartments
	River Terrace	

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.

WEST SIDE STADIUM: WRONG CHOICE FOR NEW YORK

The Manhattan stadium would more likely discourage economic development than promote it, and would consume over a billion State and City tax dollars with little if any public benefit. Using the proposed site for residential and mixed-use development would produce more jobs, economic development, and revenue for the State, the City and the MTA.

Some claim that this massive taxpayer expense is an investment that will create jobs and pay for itself. But whatever is built on the MTA's West Side rail yards will create as many – and probably many more – jobs. The majority of economists who have studied the issue believe that sports stadiums do not generate enough economic activity to justify major public expense.

The Jets say they are putting up most of the cost of the stadium. But \$450 million of their supposed contribution is money the City will borrow for them and the Jets will pay back with “payments in lieu of taxes” (PILOTs) – money they should have been paying in city taxes. In other words, they would pay us back with our own money. When you add that to the State and City \$600 million direct payments, the cost to taxpayers will actually be more than \$1 billion of the stadium's cost. And that does not even include interest.

The argument so far has been whether the stadium will generate enough economic activity to cover a \$600 million taxpayer cost. No one claims it would come anywhere near covering the actual \$1 billion-plus taxpayer cost, or making up for the MTA's lost real estate asset.

The stadium would be built on a taxpayer-funded platform over the MTA's rail yards overlooking the Hudson River from 30th to 34th Sts. This is extraordinarily valuable riverfront property, with uninterrupted views in four directions. Using it for a stadium – rather than for more lucrative commercial and residential development – would mean a significant loss of future MTA revenue. That loss will have to be made up by tax money or fare increases.

Rather than going openly and honestly to the development community to see what it would pay for the right to develop this remarkable property, the MTA tried to negotiate a single-bidder deal with the Jets behind closed doors. After tremendous public outcry, the MTA solicited competitive bids in an extremely abbreviated bidding process that nearly every transit advocacy group in the City denounced as slanted towards the Jets and away from straphangers. In the end, the MTA Board voted to sell the development rights to the Jets for just \$250 million. This is hundreds of millions of dollars less than a competing bidder had offered for the property and a small fraction of the \$923 million that the MTA's own appraisal found that the property is really worth. The MTA is now in court defending its decision to take the lower bid. It is clear that the only way the region's transit system will get the full value of the MTA's asset is if the stadium is defeated and a truly open and honest bidding process is undertaken.

Mayor Bloomberg is trying to fund the City's share of the stadium by taking payments in lieu of taxes (PILOTs) that now go to support the City budget, without approval by the City Council. Spending hundreds of millions of dollars of City money without the approval of the City's legislative body is an assault on the system of checks and balances upon which our democracy is built. We should not cooperate in the Mayor's end-run around the City's legislative and budget process.

The Regional Plan Association found that using the rail yards for residential and mixed-use development and open space would create many times more revenue for the State, City, and MTA than a stadium.

The Javits Center will not be helped by being linked to a stadium. Convention center experts agree that convention centers do perfectly well without being near a stadium, and the three that have a link to a stadium get little benefit from it. The Javits Center's original expansion plans never asked for a stadium.

The stadium would be owned and run by the Jets, who would have a strong incentive to book events like rock concerts (which pay high rent but do little for the economy) rather than conventions (which pay low rent but bring in out-of-town money for the economy). No major convention center in America is privately owned and run (except those that also own adjacent hotels and thus have an incentive to bring in out-of-towners).

The stadium would take an additional \$100 million away from the Javits expansion, to pay for overpasses and tunnels connecting the stadium to Javits.

The stadium would produce unprecedented over-loading of streets, subways, sidewalks, and parking. This will cripple economic activity throughout Midtown Manhattan. It will block access to Javits, especially since football season comes at the height of the convention and exhibition season. NRDC recently named the stadium one of New York City's five “Bad Apples,” or most worrisome environmental trouble spots.

The Governor and Mayor have also refused to disclose even the most basic information about the stadium plan, such as a complete financial plan, the agreements governing who will control booking at the stadium, and the powers of the local development corporation that will finance the project. At an absolute minimum, the Assembly should refuse to consider the project until this information is provided, and only after this information has been provided to the public, with ample time for public comment and review.

A long list of voices – including New York City Public Advocate Betsy Gotbaum, New York City Council Speaker Gifford Miller, all four Democratic candidates for Mayor of New York City, all the local elected officials representing the area involved, the Regional Plan Association, Citizens Union, the New York Public Interest Research

Group's (NYPIRG) Straphangers Campaign, the Tri-State Transportation Campaign, Natural Resources Defense Council (NRDC), Citizen Action of New York, Community Voices Heard, Sierra Club/New York City, City Project, the Patrolmen's Benevolent Association, the Uniformed Firefighters Association, Civil Service Employees Association Local 1000, Transport Workers Union Local 100, Broadway theater owners and unions, The New York Times, Newsday, the Albany Times Union, the New York Observer, and many others – say the stadium is not an investment in the City's and State's economic development. New York State Comptroller Alan Hevesi and New York City Comptroller William Thompson are highly critical of the project. And according to recent polls, 65% of New Yorkers oppose the stadium subsidy.

From

Assembly Member Richard N. Gottfried

Why I Support the New York Jets and a West Side Stadium

By Assemblyman Ruben Diaz, Jr.

I support the New York Jets plan for a West Side stadium for a number of very important reasons. First and foremost being the creation of jobs and solid economic stimulus for our city and state. The proposed West Side stadium is expected to create 18,000 temporary and 9,000 permanent jobs.

The stadium will be an excellent investment for the city with a steady stream of revenue generated from sales tax on tickets, income tax on jobs, and business from the Super bowl, National collegiate Athletic Association's Final Four Basketball tournament, and of course the highly anticipated 2012 Olympic games.

The NY Jets have committed to the Minority and Women Business Enterprise by signing a “memorandum of understanding” with the city which will ensure that not only construction jobs but actual minority and women developers will be hired for the project. I firmly believe that this will set precedence for all other major city projects to come, including the redevelopment of lower Manhattan, a new Yankee Stadium for the Bronx, and future plans by the School Construction Authority.

Frankly, for all of these reasons it does not matter to me whether a new stadium is built in the borough of Manhattan or in Queens. I am supporting the NY Jets and their ambitions plan for our city. It's not just about a “West Side” stadium.

In fact if the truth maybe told, the stadium is just a small part of the proposed project. The \$300 million dollars from the state will be for the construction of an approximately 6 million square foot platform that is needed over the existing rail yards for any kind of development to take place.

According to the NY Jets the proposed stadium will only use 2 million square feet leaving some 4 million square feet to the MTA for bidding on other possible projects. The more money the MTA can generate on these projects the better for the public and remember the NY Jets will pay for the entire construction of the stadium to a tune of \$850 million dollars.

Worries about state funds being diverted from education or housing programs are based on a complete farce, not a single cent will come from the budget for these state programs. The state will issue bonds for the \$300 million for the platform which as we have just seen will not only benefit the NY Jets.

In addition, the recent Campaign for Fiscal Equity court ruling concluded that \$23 billion in operating expenses and 9 billion in capital expenses must be given to the city for education over the next 5 years ensuring that our children's education needs will finally be a priority.

I would like to take a moment to raise a few brief points about Cablevision, who vigorously opposes the West Side Stadium and has offered an alternative bid for the West Side.

By now it should be clear to all fair minded New Yorkers that Cablevision has been fighting to protect their monopoly at Madison Square Garden and Cablevision has offered no plan for minority and women owned businesses in their proposal.

Did you know that Cablevision is exempt from paying property tax on MSG? That's \$12 million a year lost in revenue for the state. To add insult to injury New Yorkers pay the Con Edison bill for M.S.G., 1.8 million last year alone. Add it all up for a total of approximately \$13 million a year or \$390 million over the next 30 years, all on the back of hard working tax paying New Yorkers.

If cablevision was so concerned about money for education or housing why don't they pay their fair share of taxes to the state in order to help out? Cablevision's only community relations are in the form of the bill sent to subscribers throughout the city and state every month for services rendered.

State's Highest Court Hears Westgate Mitchell-Lama Appeal

By Sue Susman

About 40 tenants from four beleaguered Mitchell-Lama complexes Westgate, Central Park Gardens, and Town House West Apartments in Manhattan, and Undercliff House in the Bronx—filled the spectator section at the May 4 Court of Appeal hearing in Albany in the Westgate/KSLM case. They were joined by representatives from the state Division of Housing and Community renewal (DHCR) and City Council candidate Felipe Luciano.

The hearing focused on the main issue for Westgate and other pre 1969 buildings taken out of the Mitchell-Lama program: Whether the law that applies is the 1969 rent Stabilization Law, which allows extra rent increases solely for landlord hardship or major capital improvements, or the 1974 Emergency tenant Protection Act (ETPA), which permits extra increases under "unique and peculiar circumstances." DHCR was the main appellant, asserting it should have control over determining which law applies. The Westgate Tenants Association, which had intervened in the case, was the second appellant.

Westgate's landlord, Koepfel & Taylor Management Company L.L.C., took the complex out of Mitchell-Lama in 1998, and has since asked for rent increases ranging from three to seven times what tenants currently pay. Though the buildings were built before 1969 and are therefore covered by rent stabilization, the owners claim that simply taking a building out of the Mitchell-Lama program is a "unique and peculiar circumstance" under the ETPA and thus allows massive increases. In February 2001, the Appellate Division overturned a lower-court ruling and took the landlords side.

Two other landlords that have taken buildings out of Mitchell-Lama Stellar Management at Central Park Gardens and Grenadier Management at New Amsterdam House- are also trying to use the "unique and peculiar circumstance" claim to get massive rent increases.

At the May 4 hearing, Judge Robert Smith, a recent Pataki appointee, asserted that the court didn't even have the question of whether taking a building out of Mitchell-Lama was a "unique and peculiar circumstance" before it—although he obviously didn't speak for the whole court, which had accepted the amicus brief from 31 tenants organizations raising that particular question. In general, the Pataki appointed judges asked how much money was really involved, and whether DHCR couldn't mitigate the landlords' requests if it wanted to. The Cuomo-appointed judges indicated some concern for the tenants.

Serge Joseph of Himmelstein, McConnell, Gribben, Donoghue & Joseph, attorneys for the Westgate tenants, emphasized the human costs, and reminded the judges that the 1971 vacancy decontrol law did not affect apartments that had become vacant while still under Mitchell-Lama.

"The EPTA was intended to recapture housing that was being deregulated. Mitchell-Lama housing was never in that category," says Westgate's Tenants Association Chair Jean Dorsey, the main plaintiff in the lawsuit, knowing that when the state's vacancy decontrol law was in effect from 1971 to 1974 it was applied to Mitchell Lama apartments. "The idea that some housing, which became vacant while in the Mitchell Lama program, might be subject to the EPTA is a torture construct that should not be allowed."

If the landlords get the rent increases they want, the tenants' briefs argued, tens of thousands of tenants will be forced out of their homes and thousands of apartments will be deregulated. In response the landlords' lawyer suggested that the owners didn't really expect that they'd get all they asked for, at least all at once".

Having conceded that point he then backed

off it a bit; the landlord would be delighted, he said, with a gradual increase so that the tenants would be paying the full rent requested after a few years. (This of course assumes that as tenants age, we get richer!). After all, he noted its not as if the landlords really want all the tenants to leave. (We should read into that quotation "just yet.")

His assertion is belied by the actual in Westgate Apartments that have become vacant since the building entered rent stabilization; some of those are renting for exactly those high rents he claims, the landlord didn't want.

"We know of several apartments that have been empty for years which carry the price tag of 3000 dollars or more," says Dorsey. "We also know of families, currently living in Westgate who need those apartments and can pay an affordable rent. An empty apartment which carries a high value on the books is just another example of Enron accounting and should not be encouraged. That there was never any interest to evict us' is contrary to direct statements made to many of us.

Rosenberg & Estis – the firm representing the landlords of Westgate, Central Park Gardens, and New Amsterdam House and their applications for "unique and peculiar circumstances" "rent increases—unintentionally highlighted the problem caused by state, rather than city, control of rent regulations. Attorney Gary Rosenberg argued that if the Court of Appeals had to choose between the cities' rent stabilization and the states' ETPA, it had to go with the state law. After all, he asserted, the state URSTADT LAW of 1971 indicated that the state did not trust the city to regulate its own rents and barred the city for regulating rents any more favorably to tenants than does the state.

(Moral: If state control is good for the landlords tenants have to fight for home rule of rent regulation!)

The court decision should come down either before the summer recess or sometime before the end of October.

If the court turns the matter back to DHCR, tenants plan to argue that each apartment does not present unique and peculiar circumstances and therefore no rent increases are appropriate. An Amicus brief written by Matt Brinckerhoff and Katherine Rosenfeld of Emory Celli, Brinckerhoff & Abady (available on-line [www. Save-ml.org](http://www.Save-ml.org)) emphasizes that buildings taken out Mitchell-Lama are not "unique and peculiar" for three reasons;

First, nearly 20,000 apartments are too many to be "unique and peculiar; that phrases is reserved for the few exceptions to the rule

Second, the exception shouldn't swallow the rule; the EPTA was enacted to put more buildings in rent stabilization, not to take them out

And Third, the phrase "unique and peculiar" applies to situations that didn't work as the statute intended, but the Mitchell-Lama program worked just right, keeping rents affordable for thousands of apartments and reviving the neighborhood.

If the Court of Appeals rules that the apartments do present unique and peculiar circumstances, tenants will present data about comparable rents in other Mitchell-Lama's and other stabilized apartments. In either case, tenants need to coordinate their efforts and present a united front.

Sue Susman is president of the Central Park Gardens tenants' association.

Lack of Board Meetings at Co-op City

How often, and for what purpose, board meetings are held are criteria best left to the individual co-op. The dynamics of a relationship between cooperators, board members, and management are as varied as the number of co-ops.

I live in a state-supervised Mitchell-Lama co-op. Co-op City, located in the Bronx, is the largest cooperative in the world, with an annual budget of \$150 million. If separated from the Bronx, it would be the 11th largest city in New York State. The dynamics of cooperator, board, and management relationships gets even more complicated when you add the mandated role of the New York State Division of Housing and Community Renewal (DHCR). While the board votes to approve contracts, the DHCR has final say. That role is embodied in the New York State Private Housing Finance Law, promulgated by the New York State legislature in 1955.

A short history of Co-op City tells the story of broken promises and broken dreams. Poor construction, poor maintenance, poor DHCR supervision, competing agendas in board-management operations, and poor participation by shareholders...all these factors have forced cooperators to pay for the construction of Co-op City twice. After coming out of a period where the development was within a month of being in default of its original mortgage, the community recently refinanced its existing \$220 million mortgage and added additional debt of \$260 million for capital construction.

How will these funds be spent? Will revenue meet expenses? After being depleted, can we accumulate enough contingency and reserve funds? Will Co-op City continue to remain as a viable entity, and assure affordable housing to low and middle income New Yorkers for future generations? These questions must supersede any criteria for our board meetings.

Despite a board resolution to hold (at least) three open board meetings annually, our board holds (on average) two. After six years, the current leadership finally restored the gallery session to the open board meeting. Before this period, all open board meetings (held monthly) had gallery sessions. These are signs of a disconnect between a board and its shareholders. Some call it contempt for shareholder participation.

In the politically charged atmosphere of Co-op City, where factionalism is standard operating procedure, the lack of opportunities for residents to see their board in action only intensifies the disconnect, rhetoric, and resultant apathy. Quorums are barely met at board election time, and many candidates who appear to be invisible to the public are elected and re-elected. Many cooperators, who questioned how an invisible majority elected invisible candidates, got their answer in 2003. It was exposed that the managing agent had financed the printing and distribution of candidates' flyers. These candidates, whose printed material outpaced all others by 10 to 1, were easily elected, and then proceeded to renew the contract with the managing firm.

If shareholders can get elected without having to build grassroots consensus, why would they want to hold public meetings as board members?

Ruben Berkowitz
(elected to the Board since article was written.)
718 671 6915

Mitchell-Lama Residents Coalition
Executive Board Elections
Saturday, June 18, 2005

**We Thank You For
Supporting Us
Throughout the Year**

State Assemblymember Adele
Cohen

State Senator Eric Schneiderman

City Councilmember Gail Brewer

Albany Tenant Lobby Day

Community Free Democrats

**Brooklyn Mitchell-Lama Task Force
Forum**

City Councilmember Gail Brewer

State Assemblymember Daniel J.
O'Donnell

Coney Island Community

State Assemblymember Vito
Lopez

On Tuesday, April 19, 2005, over three hundred, Brooklyn Mitchell-Lama residents attended a housing forum sponsored by Borough President Marty Markowitz. Co-sponsors for this event were Mitchell-Lama Residents Coalition and NYS Tenants and Neighbors. Refreshments were donated by Astella Development in Coney Island.

Brooklyn residents came out to voice their concerns and learn more about their developments. They asked questions of the professionals from State, City, and Federal agencies.

Questions were raised on the impact legislation and funding have on Mitchell-Lama housing. Moderators from the Brooklyn Borough President's office, speakers from organizations and tenant representatives from the Task Force answered those questions in detail.

Besides the Panel discussions, there were five workshops that focused on quality of life issues, security, maintenance, tenant and cooperative by-laws and buy outs.

This event started at 5:30 p.m. and lasted until 9:00 p.m.. A good and informative time was had by all who attended. The Task Force from the Brooklyn Borough President's office will probably hold other housing forums in the future.

The Battle Over Social Security

High on the President's and Congressional Republicans' agenda is to reshape (many would say destroy) one of the last pillars of Franklin Roosevelt's New Deal – Social Security. At the signing of the landmark legislation passed in 1935, President Roosevelt stated:

“This law represents a cornerstone in a structure which is being built but is by no means completed – a structure intended to lessen the force of possible future depressions, to act as a protection to future administrations of the Government against the necessity of going deeply into debt to furnish relief to the needy – a law to flatten out the peaks and valleys of deflation and of inflation – in other words, a law that will take of human needs and at the same time provide for the United States an economic structure of vastly greater soundness.”

And true to his word, Social Security has helped multiple generations of Americans enjoy a modest level of economic security. For seven decades, the program has provided a wide range of security programs that have supported tens of millions of workers and their families. Until now, Americans have taken Social Security for granted; if we don't fight the good fight, we may be about to lose our nation's greatest and most enduring social program.

Social Security was built on two basic principles, equity and adequacy. Equity relates to the amount a worker gets out vs. the amount he or she contributes. Adequacy insures that a sufficient level of benefits is provided for those whose contributions to the system were limited due to low wages or disability. In addition, benefits are indexed against inflation to provide protection from the ups and downs of the economy.

The key, in considering the President's plan, is that Social Security is an insurance program, not an investment program. It was meant to insure a minimally adequate income for the elderly, who have worked all of their lives but whose income during their working years may not have allowed them to save sufficiently for retirement. Social Security was never meant as a replacement for savings and other retirement plans. It is strictly a safety net, intended to keep the elderly out of poverty after their working years.

When Social Security was first enacted, the elderly was an age group suffering from a particularly high rate of poverty. One of the greatest achievements of Social Security is that the poverty rate for the elderly is the lowest for any age group, currently about 10 percent. It is estimated that without Social Security, the poverty rate among the elderly would be as high as 50 percent.

But the President says that the system that has served us so well for the past 70 years is in trouble. That if we don't change it, it won't be there for future retirees. Is that true? Well, according to the Social Security Administration itself, if no changes are made, Social Security can meet 100% of its projected obligations until 2042, another 37 years, and can continue to pay more than 70% of benefits indefinitely after that. So the President's claims that Social Security faces a crisis is, at the very least, a serious distortion.

But we do want Social Security to remain strong for future generations, and so some changes have to be made. One of the easiest ways to fix the projected shortfall in the Social Security trust fund is to raise the ceiling on taxable wages. Today, people don't pay Social Security taxes on any of their wage income above \$90,000. But what if they did? The Center for Economic and Policy Research estimates that raising the ceiling to \$110,000 would provide enough additional revenue, by itself, to make the program solvent for nearly 75 years. Removing the cap on income levels for paying the tax would essentially fix the problem indefinitely. Of course, raising taxes on the wealthiest Americans is not what the Republicans are interested in. They would rather put low and middle income families in jeopardy. And although President Bush has indicated that he might be open to such a raise, Republican leaders in the House have publicly stated their strong opposition.

What about letting younger workers divert a portion of their Social Security taxes to private accounts? Although the President hasn't released any of the details of his plan, it is generally believed that his proposed changes call for allowing workers to hold back 3-4 percent of their Social Security contributions for deposit in an individual investment account. Workers would presumably benefit from this change because the stock market has historically grown at a 7 percent rate over time. The Republican's dire predictions for Social Security, however, are based on the economy growing at only 1.7 percent, which if correct, means that Social Security payouts for retirees will eventually outstrip the growth in

revenue from the taxes on worker earnings.

The problem with the Republican's projections, however, is that if the economy is only growing at 1.7 percent per year, there is no way that the stock market can grow 7 percent, making their claims about the value of partial privatization rather dubious. Further, a lot of the earnings that workers would realize by diverting their taxes into a private account would be eaten up by administrative costs, estimated to be between 3 and 5 percent. Social Security's administrative costs are only 1.3 percent, incredibly efficient by either government or corporate standards.

If investing in the stock market was such a sure thing, why not just take the Social Security Trust Fund money invested in Treasury bonds and put it into the stock market? The answer is simple – risk. The stock market, as many investors who got stung by the slide in the late 1990's can attest to, is risky. Such a move, as the Republicans understand, could put Social Security in a much worse position than it is today.

And then, there's the transition costs. President Bush has promised that workers 55 and older would not be affected by the move to partial privatization. To maintain benefits while allowing some workers to divert funds would require huge transition costs. Those costs could be as much as \$200 billion a year for the next 30 years, leading to huge increases in what is already the largest federal deficit in history.

So what is this really about? Remember that Republicans have opposed Social Security from the time it was first proposed in the 1930s. Conservatives are opposed to social insurance in principal, no matter how efficient it is or how many millions of Americans it helps keep out of poverty. In 1964, Barry Goldwater proposed that Social Security be made voluntary, which would have destroyed it. Realizing that reviving such a proposal would go nowhere, conservatives are taking a different tack, pretending that their proposals for privatization are intended to “save” Social Security when their real goal is to eventually eliminate it.

So far, the President's plan, in some form, is likely to make it through the Republican-controlled House of Representatives. It faces stiff opposition, however, in the Senate. Although the Republicans control the Senate as well, they don't currently have the 60 votes necessary to get around an expected filibuster by the Democrats; the 45 Democratic Senators have already stated their opposition to the President's plan.

But we can't underestimate President Bush. He convinced the majority of Americans that Saddam Hussein had weapons of mass destruction and was a nuclear threat. Now he's claiming another phony crisis with Social Security. Let your Senators know that you want to protect Social Security and that privatization is not the way to do it. With modest changes, the greatest social program in the history of the U.S. can provide the same benefits to future generations that it has provided to generations of Americans over the past 70 years.

CONGRESSMAN RANGEL LOOKS AT SOCIAL SECURITY

Privatizing Social Security cuts guaranteed monthly benefits.

Plans to partially privatize Social Security would undermine retirement security by cutting guaranteed benefits over 40% for future retirees, even for those who don't choose an account. Risky privatization accounts won't make up the difference. Such accounts would take nearly \$5 trillion from Social Security over 20 years, and jeopardize benefits earned by current retirees, disabled workers and children who lost a parent. Today, the average monthly benefit is \$950, and without this money, nearly 50% of American seniors would be living in poverty.

Social Security faces long-term challenges, but there is no crisis

The Social Security Trust Fund has accumulated more than \$1.7 trillion in reserves that are held in Treasury bonds. According to the Congressional Budget Office, even if no changes are made, Social Security will be able to pay full benefits for the next 50 years. We have time to come up with a bipartisan solution that will strengthen the Social Security system for generations to come.

Privatizing Social Security makes the problem worse

Private accounts would make the challenge to Social Security worse by diverting nearly \$5 trillion over 20 years from the system. Using this Trust Fund money turns a long-term challenge into a much larger immediate problem.

America would be forced to borrow nearly \$5 trillion from foreign countries

In order to pay for the proposed partial privatization plan, the government would need to sell nearly \$5 trillion over 20 years in new Treasury bonds, mainly to China, Japan and other foreign countries. Adding to our national debt hurts our economy and passes costs on to future generations.
