



# MITCHELL-LAMA RESIDENTS COALITION

Vol. 28, Spring 2023

WEBSITE: [www.mitchell-lama.org](http://www.mitchell-lama.org)

## New law expands rent exemptions for seniors and disabled in former M-Ls

Many elderly and disabled residents in former Mitchell-Lama buildings which have signed agreements with their landlords to limit rent increases in tandem with Rent Stabilization, will now be exempt from even the modified rent increases, thanks to legislation passed last December.

Known as SCRIE and DRIE [Senior Citizens Rent Increase Exemption and Disability Rent Increase Exemption], the programs formerly applied only to qualifying residents of current Mitchell Lama developments, thereby excluding thousands of tenants in hundreds of buildings which had been bought out of the Mitchell Lama program.

In exchange for limiting the increases, the owners of the buildings will receive tax abatements.

Passage of the SCRIE and DRIE laws represents a victory for MLRC and other tenant activists who have been advocating the changes for years.

Chief among them were Ed Rosner and Katy Bordonaro, Co-chair and Corresponding Secretary, respectively, of the MLRC, who had lobbied State Senator Brian Kavanaugh, the bill's sponsor. Kavanaugh chairs the senate's Committee on Housing, Construction and Community Development.

Others active in an earlier effort to secure passage were John Scott, Neil Fabricant, Diane Lapson, and Diane

Stein, board members of the tenants association at Independence Plaza North, a former M-L.

Kavanaugh also commended the Battery Park City community and Manhattan Community Board 1 for their participation.

Additional legislation passed at the same time expands tax breaks for seniors who own their homes, including condos and cooperatives, in Battery Park City.

Further, new legislation pertaining to certain properties outside of New York City allows court-appointed receivers to collect rents to address hazardous conditions.

Several elected officials have commented favorably on the passage of the SCRIE and DRIE law, as reported by Gov. [Kathy Hochul's office](#).

### **Can a M-L co-op owner or tenant transfer the apartment to an heir through a will?**

The answer is — no, not through a will. But it can happen through a legal process known as succession, which has all sorts of caveats. For an excellent rundown of what's entailed, see *The Brick Underground*, which lays out the details in clear, non-legalese terminology, available [here](#).

## **After yet another court loss, landlord groups pin hopes on conservative SCOTUS**

New York State's landlords are now only one step away from their stated goal of having the highly conservative U.S. Supreme Court overrule all lesser courts and declare unconstitutional the state's strong pro-tenant law passed in 2019.

In February, New York's Eastern District Court reinforced a ruling that the owners' two lawsuits against the 2019 Housing Stability and Tenant Protection Act were without merit.

Previously, courts had agreed that the state has broad authority to regulate land uses, and that such authority does not violate the Constitution's Fifth Amendment provision against depriving citizens of "life, liberty, or property, without due process of law." (The same reasoning applies to the 14th Amendment.) The owners argued that the law violated those amendments.

"The legislature has determined that the [rent law] is necessary to prevent "serious threats to the public health, safety and general welfare," the ruling states. "No one can seriously contend that these are not important public interests and courts are not in the business of second-guessing legislative determinations."

Among other things, the law:

- Ends vacancy decontrol, under which an apartment with a rent that reached a

*(Continued on page 8)*

**Strengthen MLRC  
Join today (use form on page 2)**

**MLRC  
General Membership Meeting  
Saturday, March 25, 2023 at 10 a.m.**

**Note: During the Covid-19 pandemic, the meeting will be held online via Zoom.**

**Members will be informed by regular mail**

**CONTACT: [Info@mitchell-lama.org](mailto:Info@mitchell-lama.org)**

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

# Arguments flare over proposed apartment building in Harlem

The battle of words between a developer who wants to build a combination of luxury and below-market-rate housing on Harlem's West 145th Street, and a Councilwoman who represents the district, heated up in February, after the developer's \$700 million project, which requires a rezoning of the area, was voted down the month before by the full City Council.

Immediately after his defeat, the developer, Bruce Teitelbaum, a former aide to ex-Mayor Rudy Giuliani, opened his lot as a truck depot. His opponents, which included the United Black Caucus as well as the Councilwoman, Kristin Richardson Jordan, characterized his move as a revenge action.

Their earlier opposition to what they term a gentrification plan is that it did not include enough affordable units for the truly poor, and would inevitably stoke large scale displacement, as reported in the

[New York Times](#).

Teitelbaum, who acknowledged that the truck depot was temporary, is still pushing for a rezoning.

In a letter to Jordan, he warned that if she continued to oppose the proposal, which he calls "One45 Harlem For ALL," he would build either all market rate housing or a storage facility.

His challenge to Jordan, in which he labeled her as one who "would scuttle affordable housing for Harlem again," was characterized by [The Real Deal](#) as a "dare" to the full City Council "to defy the tradition of member deference and approve the project."

The slightly revised proposal would construct 915 apartments, of which half would rent at below market rate. Of those, 338 units would be set aside for low- to moderate-income applicants, and the remainder for tenants earning higher salaries.

## City's HPD found lacking in using own tools to deal with heat complaints

The city agency that investigates heat complaints has effective tools, such as issuing violation notices, filing law suits, making emergency repairs and installing heat sensors. But that same agency, Housing Preservation and Development, "too often fails to apply them," according to a new [report](#) from Comptroller Brad Lander.

The report looked at over one thousand buildings where tenants made more

than five heat complaints each winter from 2017 through 2021. While the buildings amount to only a tiny fraction of all city dwellings, they accounted for almost a third of all heat complaints during those years. Yet more than a quarter saw "no enforcement action of any kind from HPD."

In an earlier report, Lander found that three quarters of those buildings are located in the Northwest Bronx.

### UPCOMING EVENTS

## MLRC General Membership Meeting

**Note: During the Covid-19 pandemic, the meeting will be held online via Zoom.**

**Members will be informed by regular mail**

**Saturday, March 25, 2023**  
10:00 a.m. - noon

**Members will be notified regular mail**

For more information, e-mail:  
[info@mitchell-lama.org](mailto:info@mitchell-lama.org)

### Mitchell-Lama Residents Coalition, Inc.

#### Officers

Co-chairs: Jackie Peters  
Ed Rosner  
Sonja Maxwell

Treasurer: Carmen Ithier  
Corresponding Sec'y: Katy Bordonaro

#### MLRC NEWSLETTER STAFF

Editor: Ed Rosner  
Assistant editors: Katy Bordonaro  
Sonja Maxwell  
Jackie Peters  
Managing editor: Nathan Weber

**Circulation: 5,000**

Articles, letters and photographs are welcome. Send to MLRC, PO Box 20414, Park West, New York, NY 10025. Fax: (212) 864-8165. Voice Mail: (212) 465-2619. E-mail: [information@mitchell-lama.org](mailto:information@mitchell-lama.org)



## JOIN THE MITCHELL-LAMA RESIDENTS COALITION 2023

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

Name \_\_\_\_\_  
 Address \_\_\_\_\_  
 City \_\_\_\_\_ State \_\_\_\_\_ Zip code \_\_\_\_\_  
 Evening phone \_\_\_\_\_ Day phone \_\_\_\_\_  
 Fax \_\_\_\_\_ E-mail \_\_\_\_\_  
 Current ML: Co-op \_\_\_\_\_ Rental \_\_\_\_\_  
 Former ML: Co-op \_\_\_\_\_ Rental \_\_\_\_\_  
 Development \_\_\_\_\_  
 President's name \_\_\_\_\_

Donations in addition to dues are welcome.

NOTE: Checks are deposited once a month.

Mail to: MLRC, PO Box 20414, Park West Finance Station, New York, NY 10025

## Biden administration releases 'blueprint' for affordable housing and tenant protections

A federal "blueprint" for promoting affordable housing opportunities and tenant protections was released by the Biden Administration in January.

Among the basics of the plan are:

- ¶ A directive authorizing several federal agencies to identify and gather information on unfair rental practices (such as the misuse of background checks);

- ¶ Public hearings by the Federal Housing Finance Agency, an independent government unit, on proposals "promoting renter protections and limits on egregious rent increases for future investments;"

- ¶ A "challenge" to state, local and tribal housing agencies to "strengthen practices and make their own independent commitments that improve the quality of life for renters."

Part of what is new about the plan is the involvement of federal agencies in addition to the department of Housing and Urban Development.

For example, the Federal Trade Commission and the Consumer Financial Protection Bureau, both independent agencies, will track landlord practices that "unfairly prevent applicants and tenants from accessing or staying in housing," such as how an applicant's source of income impacts owners' and management companies' decision to refuse rentals.

The plan complements the Administration's earlier release of a Blueprint for a Renters Bill of Rights, which includes access to safe and affordable

housing; fair leases that define both rights and responsibilities; the right to organize without fear of harassment or eviction; and fair legal proceedings, among others.

### Owner groups condemn plan, tenant groups offer mild support

Immediately upon its release, the blueprint was condemned by owner groups, such as the [National Multifamily Housing Council](#), which said the blueprint's policy is "pursuing potentially duplicative and onerous regulations that are already appropriately addressed under state and local law. These efforts will do nothing to address the nation's housing shortage and could discourage much-needed investments in housing."

The group was pleased, however, that the blueprint did not advocate national rent control, an often promoted tenant goal.

On the other hand, the National Low Income Housing Coalition, while generally supporting the Administration's earlier bill of rights plan, and its new "[Affirmatively Furthering Fair Housing Plan](#)" (which reverses the former Trump Administration's policy of rejecting government affirmative action), said the current blueprint doesn't go far enough.

The group criticized the omission of "any action to hold corporate landlords accountable for egregious, predatory and often unlawful behavior during and since the pandemic," in a statement to [Bisnow](#), a real estate reporting service.

## Tenants at Fulton, Chelsea-Elliott Houses to consider full demolition and replacement

Will two of NYCHA's housing projects in Manhattan be torn down and rebuilt from scratch, with some market-rate units? That is precisely what is being debated among tenants at Chelsea-Elliott Houses and Fulton Houses, the two complexes in the Chelsea district.

Tenant leaders seem to be cautiously in favor of demolition and reconstruction, rather than rehabbing. A renovation that began several years ago, after tenants had rejected an earlier demolition plan, have left residents complaining that they suffer the same types

of problems as before the rehab, such as insufficient heat. They argue that the structures had become far too deteriorated to be successfully repaired.

Under a proposal from developer Essence and Related, the buildings would be placed under private management to "permit a new mixed-income building on underused land," according to [Politico](#). The new managers would address capital needs and uses, including market-rate units, in any new structure. Tenants have been told they would have final say on any proposal.

## Dayton Towers M-L fights mega-project proposal in Rockaway Beach area

A Long Island City developer recently sued by the Adams administration for "dangerous and unsanitary conditions" in numerous buildings has announced plans to construct three luxury apartment towers containing two thousand units in the Rockaway Beach area of Queens.

The proposed development, by Alma Realty, is being vehemently fought by the board of directors of Dayton Towers, a 1,725 Mitchell-Lama complex on Shore Parkway in Arverne, Queens, and by other community groups such as the Surfside Housing Association of Tenants. Alma, headed by Efsthathios Valiotis, owns other properties in the immediate area.

### Residents warn of impending stress

A development the size of the proposal "will draw tremendously on the community infrastructure and undermine safe evacuation from the peninsula due to population density increases," said Thomas Kerr, the Dayton Towers' board's director, in a public letter to *The Wave*, a local Rockaway newspaper. "Everything from street drainage to the electrical grid will be stressed."

Although the development plan calls for increased parking space, Kerr argued that such space "will not cover the marked increase in vehicular traffic in the area, which will lead to traffic congestion, and parking problems for every Rockawayan."

Opposition to the proposed towers also came from District 32 Councilwoman Joann Ariola, who has said tenants often complain to her about conditions in nearby Alma-owned Surfside Buildings. "I have a literal list of complaints by tenants from just this past week alone: no heat in one apartment, no hot water in another, and so on, that are the result of Alma's neglect," she told *The Wave*.

### City lawsuit against Alma

Alma's reputation as a landlord was another factor in the board's objection. In January, the City filed a [lawsuit](#) against the firm and another landlord.

"Efsthathios Valiotis has allowed many of his large New York City apartment buildings to fall into dangerous states of disrepair, posing an imminent threat to the health, life and safety of hundreds of residential tenants and the public," the suit charged.

"These violations include lead-based paint hazards, infestations of vermin, impermissible occupancy of basement areas and apartments partitioned without a permit, unabated visible mold, unsafe wiring, and missing or defective fire doors, among numerous other hazards. Many of the buildings also have serious facade defects, which threaten both tenants and nearby pedestrians."

## Stuytown-Peter Cooper tenants win huge over private equity giant Blackstone

Residents in Manhattan's Stuyvesant Town and Peter Cooper Village won the right to keep their apartments rent regulated, in a stunning setback for one of the world's largest owners of real estate.

Blackstone, which boasts of owning some \$565 billion worth of mostly commercial real estate internationally, along with managing \$319 billion of private equity for other investors, purchased the buildings eight years ago.

The complex had been created for veterans after World War II. From its opening, the buildings have comprised a haven from soaring rents in New York City for moderate-to-middle income families. Some 27,500 people, mostly middle-income, currently reside there.

But in 2006 the complex was purchased by Tishman Speyer Properties in a partnership with BlackRock, another private equity giant. As reported in the [New York Times](#), the new owners almost immediately sought to evict the tenants, but were met with furious opposition. By

2013, the owners and tenants agreed to a compromise, which allowed for deregulation to begin by 2020.

Before that date was reached, however, in 2015 Blackstone purchased the complex. This new owner promised that around 6,000 apartments would remain affordable. For that promise, the company was given a \$77 million waiver from mortgage recording taxes by then-Mayor Bill de Blasio. It also got a \$144 million low-interest loan.

By 2020, when the firm had expected to start evicting the tenants in accordance with the 2015 agreement, it encountered renewed opposition, this time bolstered by the new tenant-friendly law passed by the state legislature in 2019. Among other things, the law required rent stabilized apartments to remain that way, even after vacancy.

On January 4 of this year, the tenants won their argument, with a ruling by Justice Robert R. Reed of New York State Supreme Court in Manhattan.

Although the tenants have so far been successful, consequences for tenants in other buildings bought by private equity firms, such as Carlyle, BlackRock, and KKR, are often disastrous. See [Mother Jones](#) and [ProPublica](#).

## HPD removes board of directors at Daytona Beach Park M-L

The board of directors of Daytona Beach Park, a Mitchell-Lama development in Rockaway Beach, Queens, was removed in February by the City's Department of Housing and Urban Development, capping the end to a long history of resident allegations of impropriety, including the cessation of board elections.

Board members of the 1,156-unit development, constructed in 1964, have been accused by residents of not dealing with such issues as elevator maintenance, landscaping, and parking, as well as approving questionable hikes in carrying charges.

Councilwoman Joann Ariola, who negotiated with HPD on the removal, told [The Wave](#), a local newspaper, that she found it "appalling . . . that these conditions were allowed to drag on for as long as they have – especially when there is an elected official who is living in these very buildings."

She added that residents have often complained about "board members using their position for their own advantage."

The paper said it had tried unsuccessfully to get a comment from the Board's president.

## Evictions still down after ERAP, but are expected to rise during year

After the Covid-era ban on evictions ended in January of last year, tenants in the city experienced 4,400 evictions--still below the rate prior to the pandemic. But the number is expected to rise this year, according to Judith Goldiner, attorney-in-charge of the Legal Aid Society's Civil Law Reform Unit.

In a statement to Crain's, she said she is worried that "we're heading back to exactly where we were without \$2 billion to throw at this problem." The two billion dollars referred to the now defunct Emergency Rental Assistance Program, which had banned evictions and provided funds to tenants in need.

In a related development, [Bisnow](#), a real estate reporting service, cited reports saying that median rent in Manhattan in December climbed to a record \$3,976.



### MLRC Developments

**These developments are members of the Mitchell-Lama Residents Coalition**

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

*Donations above membership dues are welcome*

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

## Hochul's plan runs into stiff opposition from affordable housing advocates

Tenant advocates and progressives have given a thumbs down response to Gov. Kathy Hochul's housing [platform](#), delivered in January.

The platform calls for the creation of 800,000 new homes over the next decade, to be funded largely through tax breaks for developers and facilitated by rezoning various areas to allow for more multi-level buildings.

In addition, the state would allocate \$250 million for an infrastructure fund and \$20 million for a planning fund, to be made available to municipalities for help in meeting their own state-mandated housing production targets.

In presenting the program, Hochul noted that rents in the city metro area have risen thirty percent and home prices fifty percent since 2015. The figures for other areas of the state have been even higher.

But the platform ran into immediate opposition from advocates for affordable housing, not for the goals she presented, but for the lack of specific details on those goals, and especially for the absence of other goals considered much more pressing.

### Would tax breaks simply be another boondoggle?

For example, she did not specify just how tax breaks would be guaranteed to fund residences affordable to any but those who can already pay market or near-market rates, especially in light of the previous experience with a recently ended tax break known as 421-a, under which developers reaped huge abatements for creating units mostly charging luxury rents. For developers—often [heavy contributors](#) to her campaign—who had until 2026 to complete their 421-a projects, Hochul wants to extend their allowed time to 2030.

As noted by City Comptroller [Brad Lander](#) back in March 2022, "421-a is expensive and inefficient. Most of the income-restricted units are unaffordable to the vast majority of New Yorkers, and especially to the residents of the neighborhoods where they are built."

He added that as a consequence, the City lost around \$1.77 billion annually since 2017 in foregone tax income.

Further, "More than sixty percent of the income-restricted units created by the 2017 program through 2020 were built for families earning 130 percent

of the Area Median Income or well over \$100,000 a year in 2021, making those units unaffordable to nearly seventy-five percent of New Yorkers."

In a tweet regarding Hochul's plan, Assemblywoman [Yuh-Line Niou](#) said that "Building new housing without protections for tenants and access to housing for Homeless NYers is a recipe for disaster. If we don't pair new construction with policies to mitigate displacement, we're only guaranteeing that more families will get pushed out and lose their homes."

Other critics, such as [Housing Justice for All](#), immediately dismissed Hochul's platform as "gutless."

"[I]n response to a historic housing crisis, Governor Hochul locked out tenants and homeless New Yorkers from the State of the State [report] and proposed a gutless housing plan engineered to appease her wealthy donors while doing nothing to help the people who are hurting most."

### Call for tenant aid and protections like 'good cause'

The group went on to argue that "Instead of investment in public housing, we got handouts for big developers. Instead of vouchers to help more New Yorkers afford homes, we got zoning changes. Instead of real tenant protections like Good Cause, we got more wishing and hoping that the private market will solve everything."

In early March, a panel of state judges ruled that the city of Albany's local "good cause" protection law runs afoul of the state's private property laws. The ruling makes a statewide law even more urgent, according to activists.

"Good Cause" refers to evictions that may be issued only for a good specific reason, such as nonpayment of existing rent, or destructive behavior. It also applies to lease renewal refusals that can only be carried out for good and just cause.

Under a standard Good Clause law, for example, the owner and tenant would have to negotiate any eviction notice; if they cannot reach accord, the owner would have to take the matter to court, rather than simply notifying a marshal to force the tenant out.

In this and certain other cases, the tenant would remain in the dwelling throughout the court process, regardless of how long it takes.

## State tenant aid provision results in NYCHA losing rents

Almost half of all NYCHA tenants had stopped paying rent as of last November, an unintended consequence of a provision in New York State's Emergency Rental Assistance Program, enacted at the start of the Covid-19 pandemic.

The provision requires public assistance tenants to be the last to receive ERAP funds. Those funds are almost depleted; further, many "priority" applications are still pending, along with those from public housing tenants, that is, those who need the funds to meet their rents.

Nor can they be evicted, or even handed eviction notices, because the law prevents all landlords, NYCHA included, from filing eviction cases so long as tenant applications are pending. So the tenants remain in their apartments, paying no rent.

Lobbying efforts by NYCHA officials to move their tenants up on the tenant priority list have so far proven fruitless. So have efforts to alter the law to take such tenants to court.

Because rent amounts to around a third of NYCHA's operating budget, the absence of almost half of those funds is bound to stymie NYCHA's efforts at making required repairs to "heat and elevator systems, as well as a thorough cleanup of lead paint, toxic mold and vermin," according to [City Limits](#), long neglected well before the pandemic.

## Adams views empty offices as source for new housing

Can New York City's skyscrapers, where occupancy has plunged since the start of the Covid-19 pandemic, serve as an unrealized source of affordable housing?

Mayor Eric Adams thinks so, which is why his office is [proposing](#) converting empty office space into apartments, of which some — he hasn't said how many — would be "affordable."

To generate a goal of around 20,000 units, Adams suggested new tax abatements (a recent scandal-ridden abatement, 421-a, has expired).

He also called for increased "flexibility" in various conversion procedures, and sought to end the zoning prohibition on housing in some parts of Midtown.

At least one major owner of office buildings, XRX Realty, is [reportedly](#) considering transforming two skyscraper properties—61 Broadway in the financial district, and 47 Hall Street in Brooklyn—to housing.

Support for the idea has also come from three [Bronx community boards](#) and from a new multi-borough housing group.

## Bedford Gardens Mitchell-Lama facing whopping rent hikes

For the next two years, tenants at Bedford Gardens, a 650-unit Mitchell-Lama in Brooklyn's Williamsburg community, may well find themselves paying cumulative rent hikes of up to eighty percent, a whopping figure that would force out long-time moderate-to-middle income families who have lived there for decades.

While tenants with Section 8 vouchers will be spared a personal increase, many others who cannot afford the hikes will, of necessity, be forced to move or, in some cases, may find themselves joining the city's homeless population.

In January, they received notice from Kraus Management that their rents would leap by 25 percent this year, another 25 percent next year, and a third jump of 15 percent in 2025, with perhaps more leading to a total of up to eighty percent in all.

The Kraus Organization, which boasts of managing more than five thousand apartments throughout the New York metropolitan area, has said the hikes are needed to meet operating expenses, pay off current obligations or arrears, and bring deferred maintenance up to par.

### Comptroller blames Kraus management and 'self dealing'

City Comptroller [Brad Lander](#), however, criticized the justifications, arguing that the firm's statement of operating cost per apartment over the past three years--over \$13,000 per apartment, excluding property taxes or debt service--goes well beyond the city's norms.

"This cost represents a 60% deviation from the Housing Development Corporation maintenance and operation standards used to underwrite all HPD

### Russ resigns as NYCHA chief; new chair will serve voluntarily

Gregory Russ, the former head of the Minneapolis Housing Authority who was appointed Chair of NYCHA in 2019 by former Mayor Bill de Blasio, has resigned from his post in January.

While serving as both Chair and Director, Russ earned a salary of up to \$430,000. Whoever replaces him, however, will serve on a voluntary basis, with only a \$250 fee for each board meeting attended.

preservation deals," he said.

Acknowledging that the building's age may account for some of the increased operational costs, Lander implied that a major problem was "the management practices of Kraus Management," which he said merited closer scrutiny.

"The Kraus Organization. . . has a decades-long history of proposing egregious rent increases, self-dealing, and property tax delinquency, Lander said.

### Is gentrification the real issue?

Another factor offering insights to the proposed rent hikes may be gentrification. In 2026, the building will be eligible to exit the Mitchell Lama program, enabling the landlord to charge market rents in a rapidly gentrifying area.

Williamsburg has soared in popularity over the past three decades. As its old industrial base declined, the area's considerably lower rents began to attract middle income residents who have been increasingly excluded from astronomical rents in other parts of the city.

Inevitably, their influx into Williamsburg has spurred the proliferation of cafes, chic food shops, and stores selling higher priced goods in general, all of which lure yet more tenants of means and thus ever rising rents.

### Residents, officials speak out

Meanwhile, the current tenants and local officials have not been quiet in the face of the impending hikes.

At a January hearing before the City's department of Housing Preservation and Development, Bedford Gardens tenants and elected officials condemned the proposed rent increases.

One of the long time tenants, Zoraida Olive, said that even though her family has three incomes, she currently pays a surcharge on top of a \$1,982 per month rent. As quoted by the [Bushwick Daily](#), she said "At this point, we'll have to choose between my daughter's college tuition or moving out."

At a rally before the hearing, Assemblywoman Emily Gallagher said that "The Mitchell-Lama program was not created to be a cash-cow, it was created to build permanently affordable housing for New Yorkers. Allowing such a massive rent increase only legitimizes the self-dealing and profiteering that Kraus Management is engaging in."

## Court rejects Hughes' Seaport tower plan

The giant Howard Hughes Corporation, which claims on its website that it is "improving the quality of life for our residents, tenants, customers and consumers," experienced a setback on its plans to build a largely market-rate, 26-story residential tower on a lot at the South Street Seaport, when a state Supreme Court judge in January blocked the corporation's efforts, to the delight of community groups who have long fought the proposal.

Had it been approved, the \$850 million tower at 250 Water Street would have provided 200 market-rate apartments, plus 70 units affordable to people earning around \$45,000 for a family of four. Retail, office and "community" space were also in the plans.

The judge, Arthur Engoron, condemned the developer for having negotiated with the Landmarks Preservation Commission (which last year supported the plan) to provide "political cover" by donating to the South Street Museum.

Engoron said that the LPC is mandated to consider the appropriateness of a project, not whether it will offer "sweeteners" at other locations, such as donating to the Museum.

Opponents of the plan, which included the Seaport Coalition, Save Our Seaport and Children First NYC, argued that the tower would have overwhelmed and undermined the historical quality of the famed neighborhood, and would have had a negative impact (via toxins emanating from construction) on children attending two local schools.

The Hughes Corporation, which reported revenues of \$1.93 billion in 2022, countered by saying the development would generate \$40 million to the Museum, spur about \$1 billion to the economy, and create around 3,300 permanent and construction jobs.

Hughes will appeal the ruling.

### Court orders Brooklyn owner to jail for violations & 'ghosting'

A notorious Brooklyn landlord, Aaron Stark, was sentenced to eight days in jail not only for failing to correct innumerable health violations, totaling \$650,000, but also for simply ignoring court orders to appear, or ghosting. He had earlier been sentenced to more than a year in federal prison for Medicaid and food stamp fraud, according to [The Gothamist](#).

## Affordable housing news from around the nation

### National: Blackstone starts evicting tenants nationwide

The giant private equity firm Blackstone, which has been scooping up thousands of residential houses throughout the country during the pandemic—making it now one of the largest owners in the US—has lately been evicting more and more tenants to make way for higher paying applicants.

Until recently, the firm had voluntarily abstained from evictions. After that policy was recently tossed, an official of the firm, Nadeem Meghji, said that the company would soon see "a meaningful increase in economic occupancy as we move past what were voluntary eviction restrictions that had been in place for the last couple of years," according to a report in the [Financial Times](#). "Economic occupancy" means, of course, higher paying tenants.

*[In one NYC development, Stuytown/Peter Cooper, however, the tenants have successfully fought Blackstone's rent hikes. See story page 4.]*

### National: HUD grants \$24.7 million for non-elderly disabled residents

The U.S. Department of Housing and Urban Development granted \$24.7 million to 98 local public housing agencies to provide permanent affordable housing to non-elderly persons with disabilities. Allocated through Section 811 Mainstream Housing Choice Voucher Program, the funds are expected to help up to 2,210 additional families.

### National: More than a half million were homeless on a single night

A new [report](#) from HUD found that 582,462 people were homeless on a single night a year ago, in January 2022. That number was a small increase from 2020 to 2022; according to the Administration, the figure would have been higher but for the Emergency Rental Assistance Program, which helped to stop evictions. The administration has also announced a plan to reduce homelessness by 25 percent by 2025.

### National: \$5.5 million for Hispanic research on housing, other issues

Institutions focusing on housing and economic development issues facing the country's Hispanic neighborhoods will receive a \$5.5 million boost from HUD. Topics include "equity in the rental and housing markets, tenant protec-

tions, connecting underserved communities to economic opportunities, quality education, disaster resiliency and recovery, affordable transportation, health care," and other essential services.

### Alameda, Cal. first US county to ban criminal background checks on tenant applicants

Although various cities such as Oakland, Berkeley, Seattle and Portland have laws prohibiting landlords from conducting criminal background checks on people applying for rentals, Alameda is the first county in the nation to do so. Known as the Fair Chance Law, which will take effect in April, it also bans owners from placing ads that say formerly incarcerated people need not apply. And it prevents them from prohibiting those people from moving into an apartment already held by their family. However, it does allow landlords to review the sex offender registry.

### Colorado: Using vacant land

The legislature is considering leasing or selling vacant parcels of state-owned land at a discount for affordable housing projects.

### Plano, Texas: Landlords fined \$140,649 in race discrimination case

An administrative law judge in the federal Department of HUD in January ordered landlords Quang Dangran, Ha Nguyen and HQD Enterprises to pay \$140,649 for violating the Fair Housing Act by having refused to "rent to a Black woman because of race, made discriminatory statements, placed discriminatory advertisements on Craigslist, and retaliated against the woman because she filed a complaint with HUD," as reported in a HUD release.

### LA County: New government protections against evictions

A new tenant protection policy was passed by the county, just days before the pandemic anti-eviction rules were set to expire. Under it, evictions are prohibited except for unpaid rent, lease violations, or owner move-ins. Also, owners must pay a tenant's relocation fee if the tenant cannot afford a rent hike, although it doesn't prevent such hikes. And the [LA Times](#) notes the law blocks "evictions until February 2024 for tenants who have unauthorized pets or who added residents [not] listed on leases."

## Local Housing Briefs

### Flags at half-staff, street renamed, to honor victims of Twin Parks fire

All flags on city buildings as well as stationary flags were lowered to half-staff in January in remembrance of the one-year anniversary of the devastating fire at a building in Twin Parks, the Bronx, a former Mitchell-Lama complex. In February, the street on which the building was located was renamed **17 Abdoulie Touray Way**, to honor both the seventeen victims and former resident Abdoulie Touray, a Gambian immigrant widely venerated in the community.

### NYS poverty rate higher than national

Poverty-stricken residents of New York State totalled almost 2.7 million, or 13.9 percent of the total population in 2021, according to a [report](#) by State Comptroller Thomas P. Napoli. That marks the eighth year in a row that the state's poverty rate surpassed the national average.

### Empire's owner sued for hundreds of violations

Fred Obershalom, the owner of Empire Management, a real estate firm with around two hundred residential and commercial properties in the city, is being sued by both the Buildings and Fire Departments for hundreds of violations regarding broken elevators, cracked facades, lack of permits, and failing to correct hazardous conditions for passersby. The violations, in buildings in Morningside Heights, date back to 2010, according to a report in [Bisnow](#), a real estate reporting service.

### City's 'worst landlords' violations leap almost 30 percent during year

Our worst landlords are getting even worse. In 2022, the number of violations by the owners on the the city [Public Advocate's](#) One Hundred Worst Landlords list shot up to 69,018, compared with 53,199 the year before. That's nearly a thirty percent increase. The top six of these owners racked up a total of 9,291 violations, or more than thirteen percent of the total.

Further, the full list indicates that the most serious violations, known as Class C for immediate hazardous conditions, leapt to 18,305 during the year, or a forty percent hike over the year before.

### NYCHA plans overhaul of 300 elevators

Three hundred very old elevators in twenty NYCHA buildings will be replaced over the next five years, thanks to \$300 million in state funding. Around seventy of the new elevators will be installed in Bedford Stuyvesant's Marcy Houses.

## Funding obtained for Inwood's fully affordable housing complex

Manhattan's Inwood community is one step closer to receiving a fully affordable thirty-story housing complex, containing 611 apartments plus retail and parking areas.

All units will be available to people earning between 27 percent and 110 percent of the area median income, or \$120,100 for a family of three.

Financing for the project, in the



375 West 207th Street;  
Aufgang Architects

amount of \$288 million, was announced in February by Joy Construction Corporation and Madd Equities, a developer

of both residential and commercial real estate, according to a report in [New York Yimby](#).

Wells Fargo and CLI Equity provided the financing, utilizing among other sources Low Income Housing Tax

Credits and New York State's Brownfield Redevelopment Tax Credits.

The building, to be known as North Cove, at 375 West 207th Street, is slated for completion in 2024. It will contain several setbacks above various floors.

As currently envisioned, tenants will have access to a variety of facilities, including free high-speed Internet, laundry, lounges, storage and recreation spaces.

An unexpected but welcome perk for the residents is that the building will open to a new waterfront park to be built on city-owned land.

### Spot and report Social Security Scams

- Scammers *pretend* to be from an agency or organization you know to gain your trust, like the SSA.
- Scammers say there is a problem with your account, or a prize waiting for you.
- Scammers *pressure* you to act immediately.
- Scammers *tell* you to pay in a specific way, like with your credit card, or using a gift card, prepaid debit card, cryptocurrency, wire or money transfer, or by mailing cash.

**Ignore scammers and report criminal behavior.** Report Social Security-related scams to the SSA Office of the Inspector General (OIG), or by clicking [here](#).

## Religious coalition forms to lobby for more tenant protections, new housing

A coordinated religious effort to push for restrictions on rent increases and evictions was launched in February by a coalition of more than a hundred organizations.

In a [letter](#) to Gov. Kathy Hochul, the group, reflecting Christian, Jewish and Muslim houses of worship, wrote that "Exacerbated by the uneven recovery from the COVID-19 pandemic, rents are spiking in cities across New York, evictions are surging, and homelessness is rising unabated. Deeply rooted racial and economic inequities are only growing worse. We need to restore justice to our housing system to protect the well-being of New Yorkers."

The group seeks, among other reforms, to facilitate the efforts of tenants who wish to purchase a building when it is placed on the market. One such reform would be the right of first refusal,

or the right of tenants to be the first to be offered the opportunity to purchase.

The group also called on the Governor to make changes in the Rent Guidelines Board, which rules on annual and biannual rent increases for rent-regulated apartments.

Such reforms "must require the RGB to factor in a variety of considerations when determining rental prices to ensure they truly reflect the reality tenants on the ground face."

To shield tenants against exorbitant rent increases, the group advocated requiring landlords "to justify rent hikes greater than 3% (or 150% of the Consumer Price Index.)" They also want passage of a "good cause eviction" law.

Finally, it advocated for the creation of a new Social Housing Development Authority to build more affordable units.

## After another court loss, landlord groups pin hopes on conservative SCOTUS

(Continued from page 1)

certain level (\$2,775 a month) shed all regulations;

- Eliminates the vacancy bonus, which allowed owners to up the rent twenty percent for a newly vacant apartment that had not earlier reached the higher rent level;

- Prohibits owners from charging for repairs in perpetuity, that is, even after the cost of the repairs had been paid by the tenants;

- Prohibits owners who have offered tenants a "preferential rent" below the legal regulated rent from raising the rent to the full legal rent upon lease renewal;

### Landlords hope SCOTUS will end all rent regulations

- Prevents landlords from charging more than one month's rent as a security deposit;

- Requires owners to wait for at least five days before charging a tenant a late fee; and limits the fee itself to either \$50 or five percent of the monthly rent, whichever is less;

- Imposes numerous protections for tenants before and during an eviction process.

### Landlords shrug off court's ruling

Although tenant support groups hailed the court's decision, the landlords appeared to shrug it off.

In a statement to [The Gothamist](#), a spokesperson for the landlord groups said "We always expected these issues to be decided by the Supreme Court and are confident we will ultimately prevail, and finally compel leaders around the country to create real and fair solutions for our nation's housing challenges."

Indeed, the groups are hoping for more than a simple victory. According to [ALM Global LLC](#), a real estate and financial media advisory firm, the plaintiff landlords "have indicated that they're hoping the conservative majority on the Supreme Court will not only strike down NY's rent law, but also will issue a broader judgment that deems rent control of any sort as a violation of building owners' rights to use their properties."