



MITCHELL-LAMA RESIDENTS COALITION

Vol. 16, Issue 1
March 2011

WEBSITE: www.mitchell-lama.org

With rent regulations set to expire, millions could be affected

By Gina Lee and Chelsea Lo

Reprinted with permission from the Columbia Spectator

Low and middle-income renters say they're worried about being edged out of their homes in June when rent regulations are set to expire, bringing a million households across New York State up to market-rate rental prices they may not be able to afford.

State Senator Adriano Espaillat has proposed a bill to extend and strengthen rent-control laws, but supporters said his ambitious agenda—which includes re-regulating almost 300,000 apartments and repealing legislation that has been in place since 1993—is threatened by the interests of powerful landlords and the real estate industry. [By mid-March, a coalition of almost all NYC Democratic lawmakers had urged Gov. Cuomo to extend the regulations.--Ed.]

Driving Residents Out

Cynthia Doty, a Democratic district leader on the Upper West Side, has lived in a rent-controlled building for the past 32 years, but she said about half of the building has been converted to market-rate rentals.

If rent regulations are not renewed before they expire on June 15, the tenants still occupying rent-controlled apartments—about half the building—will have to find

new homes, she said.

“Without rent regulation at all, the remaining tenants in the building would have to move,” Doty said. “It would feel like a huge tax. People would be paying ... 75 percent of their income to rent.”

Mary Tek, an organizer with the advocacy group Tenants & Neighbors, said that the city has one million rent-stabilized units, which means that if one presumes these units have an average of two to three people occupying them, these changes could affect two to three million people.

Ibrahim Kahn, a spokesperson from Espaillat's office, said that this is what's driving the Senator—who has the highest number of rent regulated apartments in his district, which covers much of northern Manhattan.

“If Senator Espaillat does not get this done, so many of those families could lose their homes,” Kahn said.

Strengthening the law for residents

Mario Mazzoni, the chief organizer for The Metropolitan Council on Housing, a tenants' rights advocacy firm, said that widespread public support for the bill doesn't ensure

(Continued on page 7)

Led by Gresham, Unions step up push on millionaire's tax

By Laura Nahmias

Reprinted with permission from City Hall News



If Governor Andrew Cuomo allows the millionaire's tax to expire, he will be allowing business to “prosper on the backs of our children, on the backs of working people,” said 1199 SEIU President George Gresham.

Gresham's comments, made at a rally held by the Strong Economy for All Coalition in Manhattan on Tuesday, were the strongest words yet taking on the Cuomo from a union leader who has been cooperating with the new governor—he was a member of the governor's Medicaid Redesign Task Force, and voted yes on a package of \$2.3 billion in cuts to the state's Medicaid program.

But the head of the state's most powerful union, which has a history of successfully foiling New York governors, was the strongest voice decrying the decision to let the millionaire's tax expire at Tuesday's rally.

Cuomo has been battling unions over
(Continued on page 7)

Strengthen MLRC

Join today (use form on page 2)

GENERAL MEMBERSHIP MEETING SATURDAY, March 26, 2011

Time: 10:00 a.m. – 1:00 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. 1, train to 50th St. and 7th Ave.; Q,W trains to 49th St. and Broadway; E train to 50th St. and 8th Ave.

Mitchell-Lama Residents Coalition

P.O. Box 20414

Park West Station

New York, New York 10025

'Unique or peculiar' loophole: is it closing for pre-1974 buildings?

By Sue Susman

Tenants keep winning, but landlords (at least one) keep trying to utilize a loophole that would raise rents of pre-1974 buildings taken out of Mitchell-Lama.

As those following this may recall, in November 2007, the Division of Housing and Community Renewal (DHCR, the state housing agency now called NYS Homes and Community Renewal) issued a regulation stating that just taking a building out of Mitchell-Lama is not a "unique or peculiar circumstance" justifying an increase in the first rent stabilized rent. This regulation interprets the 1974 Emergency Tenant Protection Act.

So building owners challenged the regulation, claiming it exceeded DHCR's powers, was not issued properly, violated the state constitution, and anyway, they had filed their "unique or peculiar" (U or P) applications *before* that regulation so it was irrelevant.

The State Supreme Court (the lowest level) ruled against the owners on every ground—and noted that even before the regulation was enacted, DHCR policy was that while a single apartment could present a "unique" or a "peculiar" circumstance, a whole building generally could not, and certainly an entire program of buildings did not.

Many of the landlords involved at the lower court level decided not to pursue the appeal—including Larry Gluck of Stellar Management, whose office, perhaps

reassuring investors, stated in a January 4, 2011 *The Real Deal* article that "Stellar has never employed 'unique and peculiar' circumstances in setting their rents." (Gluck neglected to mention that DHCR had never approved Gluck's U or P application.)

Stellar went on to say, "Unfortunately despite abandoning these proceedings years ago, Stellar's name could not be removed from the caption for legal procedure reasons."

Nevertheless, Gluck's former partner Steve Witkoff, owner of Columbus 95, did appeal to the state's mid-level court, the Appellate Division, concerning "U or P" increases for the building where the late and beloved Bob Woolis. On December 28, 2010, he lost—to a unanimous court.

This was legally interesting: The MLRC first became involved when the very same court ruled in 2004 that DHCR policy seemed to permit such increases. The difference is that this time, the court was interpreting not just policy, but an actual DHCR regulation. In general, New York State courts defer to state agency regulations.

Undeterred, Witkoff has now filed a motion seeking permission to appeal to the state's highest court—since such appeals are not automatically available. It will likely take the NYS Court of Appeals a few months to grant or deny that permission.

Even if this DHCR regulation is upheld, however, regulations are more easily changed than the statutes they
(Continued on page 4)

UPCOMING EVENTS

GENERAL MEMBERSHIP

Saturday, March 26, 2011

10:00 a.m. - 1:00 p.m.

----W

**Musicians Union, 322 W. 48
St., between 8th & 9th Aves**

A 50/50 raffle will be held as part of our membership drive.

EXECUTIVE BOARD

Meetings, 2011

10 a.m. to Noon

April 9, 2011

May 14, 2011

June 4, 2011

The Executive Board meetings will be held at 563 Columbus Ave., NYC (corner of 87th Street).

Please call the voice mail to confirm (212) 465-2619.

Mitchell-Lama Residents Coalition, Inc.

Officers

Co-chairs: Jackie Peters
Ed Rosner
Margo Tunstall

Treasurer: Carmen Ithier

Recording Sec'y: Sonja Maxwell

Corresponding Sec'y: Katy Bordonaro

MLRC NEWSLETTER STAFF

Editor: Ed Rosner

Assistant editors: Katy Bordonaro
Margo Tunstall

Layout & copy: Nathan Weber

Circulation: 5,000

Articles, letters, and photographs are welcome. Send to MLRC, P.O. Box 20414, Park West, New York, NY 10025

Fax (212)864-8165

Voice Mail: (212) 465-2619

cptachairs@gmail.com

JOIN THE MITCHELL-LAMA RESIDENTS COALITION

2011

INDIVIDUAL \$15.00 per year and DEVELOPMENT 25 cents per apartment
(\$30 Minimum; \$125 Maximum)

Name _____

Address _____ Apt. _____

City _____ State _____ Zip Code _____

Evening Phone _____ Day Phone _____

Fax _____ E-mail _____

Current ML: Co-op _____ Rental _____

Former ML: Co-op _____ Rental _____

Development _____ Renewal _____ New Member _____

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, N.Y. 10025

MLRC fights for you and your right to affordable housing!

The disaster of deregulation

Restoring integrity to the rent laws

By Seth A. Miller

Testimony before the NY State Assembly Standing Committee on Housing, January 19, 2011

On behalf of the Mitchell Lama Residents Coalition I wish to extend my thanks to Chairman Lopez and Speaker Silver, for recognizing how important it is that the rent regulatory laws are renewed and strengthened.

This Committee is well aware that tens of thousands of Mitchell Lama units are becoming eligible for deregulation, and that we have lost hundreds of thousands of affordable apartments to deregulation since 1994. This year the rent regulatory laws come up for renewal, so it is appropriate to ask whether the deregulation mechanisms we have in place have done the things that they were supposed to do.

‘Deregulation has been a disaster. It has done none of the things it was supposed to do.’

Did the advent of deregulation spur an increase in the availability of affordable housing through the mechanisms of the free market? Did the advent of deregulation remove only the units that were “luxury” units? Did it target only the tenants who were “high income” tenants?

Anyone who is familiar with the housing market in New York City and its suburbs knows the answer. Deregulation has been a disaster. It has done none of the things it was supposed to do. All we got was a huge increase in rents and evictions. Tenants are more fearful than ever.

The Mitchell Lama Residents Coalition supports the repeal of vacancy decontrol, the renewal of the rent regulatory laws, and the extension of those laws to protect tenants in former Mitchell Lama developments.

In convening this hearing the Committee invited responses to seven questions. The first one asks how effective the bills passed by the Assembly would be in protecting the remaining stock of regulated housing.

If last year’s bills were enacted into law they would be extremely effective. They represent, in fact, a comprehensive program to address the issue of affordable housing. If they are only one-house bills, however, they would not be effective at all.

Unfortunately, advocates like those of us in the Mitchell Lama Residents Coalition, and lawyers like me who represent tenants, cannot know with any

certainty what sort of legislation can be passed and what cannot. That judgment rests with you. As members of the public, however, we can only ask that the legislation you pass do what it is advertised as doing.

For example, any legislation that is billed as protecting Mitchell Lama tenants in post-1973 developments from deregulation by bringing them into the rent stabilization system, cannot accomplish that goal unless it covers the developments that have already left the program. The idea that these tenants are already protected, since some of them are covered by vouchers and others by “LAP” agreements that are advertised as imitating the protections of rent stabilization, does not square with the facts.

The voucher program is not designed to cover all tenants, and it is not designed to provide permanent affordable housing. The income thresholds are too low to cover many middle class tenants, and those who change jobs, or work seasonally, or who are self employed, frequently lose their vouchers because their landlords use the program requirements as a weapon to generate evictions. The voucher program prevents families from growing, since young people who get married, or elderly people who bring in family members to care for them, can lose their vouchers.

‘Tenants should not have to hire a lawyer to obtain protection. . . .’

From personal experience as the attorney for the Independence Plaza Tenants Association I know the shortcomings of the “LAP” agreements that supposedly protect tenants from deregulation.

At IPN the owner, Mr. [Laurence] Gluck, breached his agreement before the ink was even dry, imposing drastic rent increases and arrears claims on hundreds of tenants who were supposed to be protected.

Tenants should not have to hire a lawyer and go to court to obtain protection, but that is what happens when the only protection is under an agreement. LAP agreements are voluntary; they never contain the same protections as the rent regulatory laws, they are temporary, and they cannot be enforced without spending money on lawyers.

The deregulation mechanism for rent stabilized apartments does not do what it is advertised as doing. It is billed as a system that deregulates apartments that rent for more than \$2,000, but that is not

‘If an apartment is to be labeled a “luxury” apartment, it should be on the basis of what it actually rents for, not on the basis of what the landlord might wish to charge the next tenant’

how it works. Right now, every apartment can potentially be deregulated, and it is the tenants who pay the lowest rents who are the chief targets of deregulation.

The system we have now deregulates an apartment based on the potential rent that might be paid by the next tenant, not the rent paid now by a regulated tenant. To call this a system of “luxury” deregulation is false advertising. We support legislation that would re-regulate any apartment renting for less than \$5,000 in New York City, or less than \$3,500 in the suburbs.

But the point I wish to make is not about where the threshold should be but, instead, how any honest threshold would work. The legislation passed by the Assembly last year identifies a “luxury” apartment based on what it rents for, not based on what a landlord might claim in the future. In fact, the original deregulation law that passed in 1993 deregulated only those apartments that had a registered rent of \$2,000 as of October, 1993. Any distinction between what is a “luxury” apartment and what is not must be based on the actual rent paid by a tenant who is in occupancy. That is what I mean by legislation that works as advertised.

We ask the Assembly to restore integrity to the rent laws. They must work as advertised. If an apartment is to be labeled a “luxury” apartment, it should be on the basis of what it actually rents for, not on the basis of what the landlord might wish to charge the next tenant.

Similarly, the method of setting

(Continued on page 8)

Politicos, residents mobilize against cuts to senior citizen centers

Protests against the city government's proposed elimination of 105 senior citizens centers were staged early in March in several boroughs, as City Councilmembers, Congresspeople, and State Assemblymembers joined in an effort to thwart the closings.

The proposal, released on March 3rd by the city's Department for the Aging, was presented as a budget-cutting alternative. It was made following Governor Andrew Cuomo's budget proposal eliminating \$22 million in Title XX funding.

Many of the centers are located in previous or current affordable housing complexes, such as Independence Plaza North in Manhattan, which had formerly been a Mitchell-Lama development.

In lower Manhattan alone, thirteen representatives signed a petition to Cuomo, warning that the "closings would cause enormous pain for a vulnerable senior population that depends heavily on the centers in neighborhoods throughout the city."

They added that funds to keep the centers open could be found in "an additional 155 million dollars that were not projected to be available in the original Executive budget proposal."

In a separate press release, Councilmember Margaret Chin said that the cuts would sever "a lifeline to integral health care, nutrition, and counseling services."

In upper Manhattan, Councilmember Ydanis Rodriguez warned that "If these cuts pass, my district would see three out of four centers closed in Inwood and Marble Hill," according to a report in the *Manhattan Times*, a community newspaper. "The loss would be devastating to the area's elderly, particularly Latinos who face the highest senior poverty rate of any ethnic group in the city."

In other boroughs, twenty-three centers could close in Queens; twenty-five in Brooklyn; twenty-two in the Bronx and four in Staten Island.

Seek four-year hold on ML privatization votes

A bill to impose a four year moratorium on privatization votes in Mitchell-Lama cooperatives was introduced on February 15th by State Senator Adriano Espaillat and State Assemblymember Linda Rosenthal.

The bill, S3258, which would amend the state's private housing law, would prohibit cooperators from voting to dissolve a ML cooperative for four years after a failed dissolution.

"Privatization votes in Mitchell-Lama developments can be contentious ordeals," the representatives explained in an official justification, "and many tenants have complained of being harassed and intimidated during the voting period. The damage inflicted by this is compounded when shareholders are subject to repeated dissolution votes within short duration."

The bill's sponsors went on to say that unjustifiable pressures to call for a re-vote "undermine[s] the original decision that the corporation has reached and create[s] relentless year-round pressure."

A moratorium, they said, would "provide an appropriate respite and lead to a better electoral process and more hospitable climate for tenants and shareholders."

Mitchell-Lama Residents Coalition's 2011 legislative agenda

The Mitchell-Lama Residents Coalition has announced its legislative agenda for 2011. Provisions include:

Support passage of Omnibus Rent Regulation Bill A2674 with provisions including those:

To put into rent stabilization former Mitchell-Lama buildings, including those already taken out of the program regardless of their year built, and without rent increases based on unique or peculiar circumstances.

To extend and strengthen the rent stabilization and co-op laws until 2016.

To repeal high-rent vacancy destabilization.

We support the proposed legislation to prevent the privatization of Mitchell-Lama Co-ops until their eligibility for municipal tax exemptions has expired. This expiration will occur fifty years from now.

'Unique or peculiar' loophole: is it closing for pre-1974 buildings?

(Continued from page 2)

interpret. So tenants need the Omnibus Rent Bill, S 2783/A2674-A. That bill incorporates many tenant necessities—including the provisions of Assembly Member Rosenthal and State Senator Andrea Stewart-Cousins' A 2499 and S01010 bills that would put into rent stabilization *all* buildings leaving Mitchell-Lama, regardless of the year they were built, regardless of when they were or are removed from Mitchell-Lama, and without "unique or peculiar circumstances" increases.

Let's get it passed!

Developments dues paid from 2010-2011

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

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

Donations above the membership dues are welcome.

These developments are dues-paid members of the Mitchell-Lama Residents Coalition as of Dec. 31, 2011

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
Concourse Village	River Terrace
Dennis Lane Apartments	River View Towers
1199 Housing	Ryerson Towers
Esplanade Gardens	Concerned Tenants of Sea Park East
Franklin Plaza	Starrett City Tenants Association
Jefferson Towers	St. James Towers
Lincoln Amsterdam House	Tivoli Towers
Lindville Housing	Tower West
Manhattan Plaza	Village East Towers
Masaryk Towers Tenant Association	Washington Park SE Apartments
Meadow Manor	Washington Square SE Apartments
Michangelo Apartments	West View Neighbors Association
109th St. Senior Citizen Plaza	West Village Houses
	Woodstock Terrace Mutual Housing

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.

Cuomo wavers on tenant protections

By Sue Susman

Governor Andrew Cuomo is playing his cards close to the vest on whether to repeal vacancy decontrol and protect buildings leaving Mitchell-Lama, but he has stated his support for renewing the state rent laws that expire on June 15, 2011.

The governor's views were related to Assembly Speaker Sheldon Silver who in turn presented them on March 4th in a meeting with several tenant activists and supporters representing the Mitchell-Lama PIE Campaign (Protection for tenants, Incentives to stay in Mitchell-Lama, Enforcement of the law). PIE, along with MLRC, is a member of the Real Rent Reform (R3) Campaign.

Silver has been outspoken in his efforts to renew the laws, which limit tenant eviction and rent increases and provide other protections.

He pointed out that although the governor did not include rent renewal in the annual budget (contrary to some speculation), Silver ensured that the governor also excluded the renewal of tax breaks for developers (the 421-a program), leaving tenants some leverage.

Concerning the rent laws, Cuomo reportedly told Silver that he favors a five-year renewal period--which would not coincide with an election year. Since it is unlikely that Real Rent Reform Campaign will get our full program, R3 would much prefer the additional leverage that renewal in an election year provides.

Silver said he informed the governor that vacancy decontrol was imperative. As a result of owners' ability to take virtually any apartment out of rent regulation once the rent reaches \$2000 (sometimes by hook or crook) without reporting it to anybody, New York City has lost some 300,000 affordable apartments since 1993. Silver also noted that any bill that passed would require outside certification of such de-regulation.

Since a goal of the Mitchell-Lama Residents Coalition (and the R3 Campaign) is to put into stabilization *all* apartments taken out of Mitchell-Lama regardless of the year built, without "unique or peculiar" increases, what happens to rent stabilization could impact whether an owner chooses to take a building out of Mitchell-Lama.

The protection of tenants in post-1973 buildings taken out of Mitchell-Lama remains "hard," Silver noted, because landlords claim it would undermine the contracts they signed when they entered the Mitchell-Lama program 30 years ago. (The fact that the US Government recently renegotiated dozens of contracts when the economy faltered is one precedent they ignore.) "A deal is a deal," they argue, as Silver noted.

Standing with tenants, the Speaker is refusing owners' requests to legislatively "undo" a recent New York Court of Appeals decision (*Roberts v. Tishman Speyer Properties*, also known as the Stuyvesant Town Case). That case bars owners benefiting from J-51 tax breaks from de-regulating apartments as long as the breaks last.

Concluding the meeting, Silver urged tenants to focus their efforts on meeting with the governor and his staff, and on rallying Mitchell-Lama and Section 8 tenants to contact their Republican state representatives in Nassau, Suffolk, Westchester, and Rockland counties.

To prepare for that lobbying (and other issues), residents attended a Tenants & Neighbors/Mitchell-Lama Residents Coalition lobby session on March 9, 2011 at Tenants & Neighbors' office.

Sue Susman is president of Central Park Gardens Tenants Association, and a member of the PIE Campaign.

State info guide on tenants' rights still available

A hefty tenants' rights guide, prepared by Governor Andrew Cuomo three years ago, remains available from the office of the attorney general, in either hard copy or online.

Among the numerous topics covered are rent control and stabilization, government financed housing, leases, and rent overcharges.

Other sections deal with warranties of habitability, landlords' responsi-

bility for repairs, lead paint, and various safety issues such as smoke detectors and entrance door locks.

Utility service information is also provided. These include sections on heating, hot water, and oil payments, among others.

Free copies may be obtained from the Attorney General's Office, State Capitol, Albany, NY 12224, or online at <http://www.oag.state.ny.us>.

Catherine Young, upstate Republican-Conservative, appointed chair of senate housing committee

Senator Catharine Young (Rep., Cons., Ind.) was named chair of the New York State Senate Housing, Construction and Community Development Committee on January 11, 2011.

She was also appointed chair of the Legislative Commission on Rural Resources. Both appointments were made by Senate Majority Leader Dean Skelos (Rep.).

In a statement regarding her housing position appointment, Young emphasized property tax relief, and disapproved of any effort to tie a tax cap to stricter rent regulations.

"The property tax cap should stand on its own and not be linked to anything else," she said in a statement on her website. "Property tax relief should not be held hostage."

She also expressed a fairly standard position among conservative and Republican representatives, that New York City officials impede relief for upstate communities.

"The anti-upstate agenda was in full force over the past two years," she said, "because downstate controlled both houses of the legislature and the governor's office. We saw bad policies that drove up taxes and spending, and hurt our economy."

Senator Young, a mother of three, was first elected to represent the 57th Senate District in 2005. Her district, in Chautauqua County, includes the municipalities of Jamestown, Olean, Dunkirk and Fredonia.

In an online biography, she said she grew up on a third-generation dairy and crops farm, and for several years has been recognized by the New York State Farm Bureau for her support of agricultural issues.

She attended SUNY Fredonia and graduated from St. Bonaventure University with a major in Mass Communication. She is also a major in the Civil Air Patrol.

Senator Young previously served as chair of the senate agriculture committee, and co-chaired the Administrative Regulations Review Commission, which helped to reduce regulations and red tape that conservatives said impeded job growth.

Prior to her election to the senate, she served in the state assembly from 1999 to 2005.

In her biography, she portrays herself as "a recognized voice on tax relief, economic growth, job creation and government reform." She adds that she "has authored numerous laws to protect families, including Penny's Law," which increased the penalty for murder of a juvenile from 5-9 years to life to 15-25 years to life.

Court rules Trump privatization will cost the complex over \$21 million

Barry Mallin, Esq.

Prepared For CU4ML

In a decision that will have profound repercussions throughout the Mitchell-Lama community, a judge sitting in the Kings County Supreme Court ruled on February 18, 2011 (Index No. 26572/10) that the privatization of Trump Village 3 will cost the reconstituted cooperative upwards of 21 million dollars in New York City real property transfer taxes.

On August 9, 2010, the NYC Department of Finance issued a notice of determination to Trump Village of a tax deficiency in the amount of \$21,149,592.50 for unpaid transfer taxes.

The notice stated that since Trump Village had amended its certificate of incorporation and left the Mitchell-Lama program and was now a private corporation, a reconstitution to this new form of ownership constituted a conveyance of the underlying real property, making it subject to the real property transfer tax.

The notice further stated that since Trump Village had failed to verify the accuracy of the taxable consideration, the City deemed the fair market value of the property at the time of transfer to be \$527,934,000.

To stop the imposition of the tax, Trump Village filed suit against the City in October, 2010. Trump Village contended that the real property transfer tax did not apply to its reconstitution because it did not transfer or convey its real property by delivery of a deed to another entity. Specifically, Trump Village argued that there was no delivery of a deed because there was only an amendment to its certification of incorporation and no new corporation was created.

Justice Richard Velasquez found the contention unavailing. According to the judge, a deed is defined under NYC Administrative Code §11-2101(2) as "any document or writing" and this definition encompasses the amended certificate of incorporation as a deed. The judge pointed out that the certificate of incorporation actually states that its purpose is "forming a corporation pursuant to the Business Corporation Law", as opposed to the Limited-Profit Housing Companies Law.

The judge held that Trump Village's dissolution and reconstitution represented a fundamental change in the characteristics of the legal entity that owned the land and buildings.

Despite the fact that the name may have remained the same, the judge wrote, the economic reality is that Trump

Village, as a reconstituted cooperative, is a completely different entity with significant and dramatic substantive changes to the rights, restrictions and financial benefits its shareholders now possess, along with an increase in its market value from 54 million to more than 527 million.

The judge therefore decided that the dissolution and reconstitution constituted a taxable transfer because it effectuated a transfer of real property from Trump Village as organized under the Mitchell-Lama program to Trump Village as a for-profit cooperative under the Business Corporation Law.

As additional support for its opinion, the judge cited letter rulings and advisory opinions from both New York City and New York State on this issue. [Note: These rulings originally were issued as a result of requests for guidance made by CU4ML members.]

Trump Village also is challenging the amount of the tax. As a result, the judge gave Trump Village the right to go back to the Department of Finance to contest the actual amount of the claimed tax deficiency.

It is expected as well that Trump Village will appeal the underlying determination holding it subject to the transfer tax. However, it will not be a surprise if New York State--if it has not already done so--weighs in and sends Trump Village its own bill for the failure to pay the State transfer tax.

Seek plaintiffs to stop 'tenant blacklist'

The Metropolitan Council on Housing and the National Lawyers Guild are seeking potential plaintiffs to join a federal civil rights suit to block the sale of Housing Court data on tenants. The data, pertaining to any tenant brought to court by the landlord, is sold to owners to evaluate prospective tenants.

Landlords often use the information to "blacklist" any prospective tenant who has been in housing court, regardless of the reason, including defending oneself in an eviction case, legally withholding rent, or even having a similar name to a tenant who was in housing court.

Any tenant who has been in housing court or unfairly denied an apartment, and would like to serve as a plaintiff is urged to call 212-979-7238 x 200, or e-mail stoptheblacklist@netcouncil.net.

NAHT to present HUD recertification workshop

The National Alliance of HUD Tenants (NAHT) will present a HUD recertification workshop on May 16, from 2:30 p.m. to 5:30 p.m. Location to be announced.

The workshop is sponsored by New York City Tenants & Neighbors, a NAHT affiliate.

Presentations will be made by three organizations: HUD's New York Multifamily Hub staff, the Section 8 project based staff of the New York State Homes and Community Renewal (formerly DHCR), and the New York Housing Trust Fund.

Attendees will learn the complete process of annual recertification, and will be invited to ask questions.

Pre-registration and additional information is available from Lonene Crawford, *82 212-289-2481, or e-mail region2naht@gmail.com.

NAHT, founded in 1991, is the only national membership organization made up of resident groups across the United States advocating for low-income families in privately owned HUD assisted multi-family housing.

* * *

NAHT presentará HUD recertificación taller

La alianza nacional de inquilinos de HUD (NAHT) presentará Taller de Recertificación para los inquilinos, Lunes el 16 de mayo, de 2:30 p.m. a 5:30 p.m. El lugar se anunciará.

El taller de recertificación participante par Inquilinos & Vecinos de la Ciudad de Nueva York, una de las organizaciones afiliada.

Tres organizaciones presentarán: Nueva York Multifamiliar Centro de HUD, Proyecto Basano Sección 8 (PBCA) de DHCR, y New York Housing Trust Fund.

Asistentes aprenderán todo lo que hay que saber de recertificación anual, and obtendrán respuestas de las preguntas de recertificación.

Para confirmar reservación o obtener mas información, llama a Lonene Crawford, *82 212-289-2481, o e-mail region2naht@gmail.com.

La alianza nacional de Inquilinos de HUD (NAHT) fue fundada en 1991 y actualmente es la única organización miembro nacional que consiste de grupos de residentes en todo los Estados Unidos, para advoca por familias con ingresos bajos en vivienda multi-familia, dúeno privado asistido por HUD.

With rent regulations set to expire, millions could be affected

Continued from page 1

that it will get passed in its current form, which includes measures to re-regulate housing formerly under the state-subsidized Mitchell-Lama affordable housing program.

“The landlords want to exempt apartments that are currently regulated from being covered, and they can do that in any number of ways,” Mazzoni said. “Our main goal is to preserve all of the apartments we currently have and to recapture all of the apartments that were lost.”

Tek said she has faith the rent regulations will be renewed, but hopes the laws will be strengthened for tenants.

“The laws are on the table,” she said. “You have tenants on one side who have very strong interests, and then you have the landlords on the other side who are very powerful and wealthy. We fear that weakening amendments could be added to the law.” Vacancy destabilization, which became part of state law in 1997, though it has been in City Council law since 1993, is one such provision. Under vacancy destabilization, over 300,000 apartments have been converted to market rate. Emily Margolis, a member of the Park West Village Tenants Association, said that she hopes vacancy destabilization will be repealed, but that there are those who would like nothing better than to see it continue.

“New York City is becoming a place where young college graduates are no longer able to afford renting apartments,” she

added, noting that renewal of current rent-control laws—which she calls “very detrimental”—isn’t enough to protect tenants. Tek said that her group wants the new rent-control bill to guarantee lease renewal. “A lot of tenants are afraid to complain because they face eviction,” she said, adding that though threat of eviction is not legally permitted, landlords can make residents’ lives difficult. “It keeps long-term New Yorkers who have dedicated a lot of energy to the city living in the neighborhood.”

‘Make-or-break year’

Mazzoni said it’s going to take a collective effort from residents, the city’s 150-plus housing organizations, and state politicians to get the bill passed.

“This is a make-or-break year,” he said. “A lot of people say ‘Oh, my Assembly member always votes the right way.’ But people who support those bills are going to have to do more than vote, they’re going to have to play hardball.”

Mazzoni added that it’s up to residents to show their representatives that they support such strategies for getting the bill passed.

“We’re fighting an uphill battle in terms of the mainstream media,” he said, noting that many real estate companies advertise in major papers. “People need to tell their senator, ‘We want you to do whatever it takes, and we’ll back you up if you do

that.”

Doty said Governor Andrew Cuomo’s public support of the bill doesn’t hurt.

“It’s possible that it’s going to be a harder fight there,” she said of the State Senate. “But the fact that the Governor is for it means that he’s going to put a lot of pressure.”

Doty added that rent regulation, now a fiscal matter, will probably be resolved as part of the state budget due in April.

With a strong partnership between grassroots activists and legislative leaders, the bill has a fighting chance of getting through, Kahn said.

“We feel pretty good about it. We think that we have the momentum to make it happen,” he said of Espaillat’s office.

Still, tenants have a long way to go in the fight for affordable housing, said Paul Bunten, president of Westsiders for Public Participation.

“I’m in favor of any legislation that might extend and strengthen the rent-stabilization law, but such legislation can only stem the tide of loss of affordable housing in New York City,” he said. “It does not address the critical need to increase our stock of affordable housing.”

This article originally appeared on <http://www.columbiaspectator.com/2011/03/09/rent-regulations-set-expire-june-millions-could-be-affected>

Led by Gresham, Unions step up push on millionaire’s tax

(Continued from page 1)

proposed cuts and reforms so far in his term, enlisting the Committee to Save New York and a system of taskforces that requires union leaders to have a share in the cutting process. On Tuesday, Gresham seemed to turn that language of “shared pain” against Cuomo, arguing millionaires should feel the hurt too.

“The governor has a budget that he needs to balance,” Gresham said. “There’s a deficit in there and I think it’s our responsibility to identify ways in which we can help.”

Gresham said that extending the millionaire’s tax was the sensible way to approach the revenue shortage in the state.

“One of the options is to deal with draconian cuts that greatly limit the quality of life in New York State,” he said. “Another is to make sure that the wealthy pay their fair share and continue to pay their fair share.”

Cuomo’s opposition to extending the millionaire’s tax puts him in opposition to a growing number of Assembly Democrats, as

well as the Coalition, which includes 1199, SEIU 32BJ, UFT, and the AFL-CIO along with several community groups.

The Assembly, especially Speaker Shelly Silver—and the Coalition have been stepping up rhetoric on the importance of the tax. Keeping it would prevent the state from having to cut so much money from education, Coalition members said.

Formed in early February, the Coalition has a \$5 million budget that it has been spending on grassroots organizing rather than television and radio advertising. The efforts have been focused on letter-writing and advocacy campaigns that target specific senators. On Wednesday, the Coalition sent 1,000 parents to Albany to lobby state lawmakers on behalf of the Alliance for Quality Education.

“All the union groups have ongoing lobby days and bumped up organizing campaigns. The feeling is that there is great bang for the buck in grassroots,” said Michael Kink, the Coalition’s communications director.

Whatever happens with the millionaire’s tax and the proposed cuts, the Coalition plans to be a long-term presence in New York, said AFL-CIO president Dennis Hughes, who also appeared at the rally on Tuesday.

“It is coalitions like this that make meaningful social change,” Hughes said. “It will go on even after the budget is settled.” And now that Gresham and other union heads have cooperated with Cuomo on his cuts, they have a trump card to ask for extending the tax, Kink insisted.

“Hughes, [UFT President Michael] Mulgrew, and many of the other groups involved, the state teachers union—they all recognize that some level of cuts is necessary,” Kink said. “But it can’t all be done with cuts.”

This article originally appeared on <http://www.cityhallnews.com/newyork/article-1800-led-by-gresham-unions-step-up-push-on-millionaires-tax.html>

Restoring integrity to the rent laws

(Continued from page 3)

rents for stabilized apartments is advertised as implementing a four year statute of limitations, but it does not work as advertised. When the Assembly signed off on

'We urge the Assembly to restore integrity to the method of setting rent-stabilized rents.'

the Rent Regulation Reform Act of 1997, it had been advertised as "restoring" the four year rule that had been the law since 1983. In other words, landlords were supposed to register the legal rent, and tenants would have four years to challenge a rent registration. The rent in a rent registration that was not challenged for four years would become the unchallengeable legal rent. At the time, advocates thought that the "four year rule" provisions of the 1997 law were merely designed to restore the rule that had existed before. I am convinced that the Assembly thought so too. As it turns out, however, the Pataki-era DHCR, backed by an army of landlord lawyers, thought differently.

Rather than implement the law so it would work as advertised, DHCR dismantled the law, so that the rent would no longer be based on anything in the public record. The rent registrations on file with DHCR since 1984 would no longer be used to set the rent. The rent would be set by the

landlord, based on whatever the landlord says it charged four years ago, regardless of what the registration history shows.

Today, the fundamental function of rent setting under the rent laws no longer works as advertised. It is, frankly, an enormous fraud against the public. The rent is no longer the rent shown in DHCR's records, so long as they are unchallenged for four years. The rent is whatever the landlord can get away with saying it was as of four years ago, unless the tenant has the means and motivation to risk his or her tenancy hiring a lawyer to say differently.

As implemented by DHCR the "four year rule" is so contrary to common sense that it has resulted in at least five appeals to the Court of Appeals. As currently constituted, the Court of Appeals is a fairly conservative institution, but even there the rule has had to be modified, so that tenants who have the means and motivation to hire a lawyer to prove blatant fraud can obtain an investigation of rents beyond what the landlord says it charged four years ago, and so that DHCR orders that are more than four years old are still enforceable.

These exceptions, however, do not change the fact that the system is still fundamentally a fraud on the public. We urge the Assembly to restore integrity to the method of setting rent stabilized rents. It is a simple thing to do. All that needs to be done is to make it clear that DHCR registration records and DHCR and court orders can and in fact must be considered in setting rents, regardless of how old they are, but that, absent the kind of fraud found in the Grimm case, any other evidence more than four years old cannot be used to contradict the registration filed

four years prior to the most recent one. It is simply a matter of squaring the language of the law with the public statements that were made by the legislature in 1997.

If the Assembly does this, it would not overrule any of the cases that the tenants have won, in our fourteen-year struggle to restore some integrity to the process of rent setting in rent stabilized apartments. As in the recent Cintron case, DHCR rent reduction orders will set the rent, no matter how old they are. As in the recent Grimm case, blatant fraud will trigger an investigation of the rent history

'It is, frankly, an enormous fraud against the public.'

going back more than four years. Setting the rent based on the registration filed four years prior to the most recent registration will, however, make it much more difficult for landlords ever to commit the kind of fraud that was the basis for the Grimm case.

The public has the right to expect the registered rent to be the basis for setting rents, and restoring this principle is a necessary part of any honest system that does what it is advertised as doing.

I thank you for your time and consideration.

Seth Miller is a partner at Collins, Dobkin & Miller LLP

Urge grass roots support to save Community Services Block Grant

The National Council of Columbia Associations, a group representing Italians and Italian Americans, has issued a call for all community-based organizations to push for saving the federal Community Services Block Grant program, now under threat of severe funding cuts.

"We need you to join the fight to save CSBG funding for our communities," the Council said in an e-mail. "As you may be aware, in addition to the current proposal by the President to slash CSBG funding by 50% next fiscal year by \$350 million nationally, there are other efforts in Congress to eliminate CSBG --this year!"

The group urged community organizations to send e-mail messages to the U.S. the Senate and the White House.

Appropriate addresses include <http://www.whitehouse.gov/contact>; http://schumer.senate.gov/new_website/contact.cfm; <http://gillibrand.senate.gov/contact>; and <http://www.house.gov>.

The group also announced a series of informational meetings to discuss the "ever-changing budget landscape." The schedule, with sponsors, is as follows:

Queens: March 15, 5:30 p.m. – 7:30 p.m., Queens Community House, JHS 190, Russell Sage Junior High School, 68-17 Austin Street.

Manhattan: March 21, 5:30 p.m. – 7:30 p.m., Children's Aid Society, Dunlevy Milbank Center, 14-32 West 118th Street.

Brooklyn: March 24, 5:30 p.m. – 7:30 p.m., St. Nicks Alliance & SCO Family

of Services, P.S. 503/P.S. 506, 330 59th Street (near 4th Avenue).

Bronx: March 29, 5:30 p.m. – 7:30 p.m., SOBRO, Lincoln Hospital, 234 East 149th Street (auditorium).