



MITCHELL-LAMA RESIDENTS COALITION

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WEBSITE: www.mitchell-lama.org

City Council passes package of strict anti-eviction laws

The City Council in May passed a group of laws that aim collectively to protect rent regulated tenants from eviction during construction or renovation of their buildings.

The legislative package requires contractors, rather than landlords, to prepare a protection plan for tenants whose building is being renovated. In addition, both owners and builders must offer signed documents that indicate which units in a building are to be renovated. And where owners report that they have repaired dangerous conditions, the city's Building Department will check to see whether the repairs have in fact been made.

Whenever the city has found a code violation, the landlord must so notify the tenants. Further, the city's Department of Buildings will now inspect any residential construction site to verify that it is vacant.

Any owner found guilty of providing false information regarding an occupied building would face heavy fines--\$10,000 for the first offense, and at least \$25,000 for any subsequent false statements. Further, such owners would be barred from obtaining any new permits for a year.

Some of the bills require owners

to notify tenants when a city agency has found a code violation, and to provide information online regarding rent overcharges and other abusive construction practices. Further, rent regulated tenants must now be provided by the owner with four years worth of rent history for their apartments.

Regarding buyout agreements, landlords must now notify HPD when they offer to pay tenants to vacate an apartment prior to the lease expiration date. The notification, required within ninety days of the buyout offer, must include the tenant's name, address, and amount of money offered.

The Buildings department must now identify situations where owners have failed to indicate on their permit applications that the building contains rent regulated tenants. In such cases, the owner's entire portfolio of buildings will be audited. This bill was most likely passed in response to media reports regarding properties owned by the Kushner Companies, among whose principals is Jared Kushner, the son-in-law and close advisor to President Trump. The practice was subsequently found to be widespread among the city's larger landlords.

HUD seeks to bar undocumented immigrants from public housing

Undocumented immigrants may lose their current right to remain in public housing, under a new policy presented to Congress by the federal department of Housing and Urban Development.

First announced in April, the Trump Administration released a plan in May to screen all public housing residents under the age of 62 through a system known as Systematic Alien Verification for Entitlements (SAVE). Residents will not be allowed to opt out of participation.

Residents who do not have the required immigration status may be evicted and deported. These may include 55,000 children, according to [HUD's own analysis](#).

Although current rules bar single undocumented immigrants from securing housing subsidies, families that comprise mixed-immigration status may live in public housing, so long as one member is eligible. This long time policy aims to keep immigrant families together, which would appear to run counter to the Trump Administration's policy of separating children from

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MLRC's 2019 'Meet & Greet' event was held in April. See pages 4 and 5 for photo display.

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

MLRC General Membership Meeting

Saturday, June 15, 2019 10:00 a.m - noon

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

CONTACT: Information@mitchell-lama.org

PLACE: 642 Washington Street, NYC 10014 (entrance on Christopher Street).

Subway trains: A, E, F, M, C to West 4th Street; No 1 to Christopher Street/ Sheridan Square.

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

Court rules HUD wrongly interprets Section 8 rent regulation provisions

A Manhattan tenant who received a Section 8 enhanced voucher when his income fell after his building left the Mitchell Lama program has been illegally billed a much higher rent after his income rose. The landlord, along with the city's department of Housing Preservation and Development (HPD), had been relying on rules interpreted by the Department of Housing and Urban Development.

But on March 29, a federal judge in Manhattan ruled that HUD's interpretation of the voucher program, as expressed in its rules, was a wrongful application of the law, because HUD neglected to put a maximum cap on tenants' rents. That cap is supposed to be either 30 percent of tenants' incomes, or what they paid when the buildings left the ML program, whichever was higher.

In 2004, the owner of a M-L building opted out of the program and converted the apartments to market-rate rentals. At the time of the conversion, one of the tenants, Robert Rodriguez, had an income of \$780 a month; his monthly rent was \$671 — or a whopping *eighty-six percent* of his adjusted monthly income! Five years later, in 2009, when the nation was in the midst of the Great Recession, his income dropped by more than half to \$352. At that point, the city's HPD (acting on behalf of HUD) lowered his rent payment to \$303 per month, which still amounted to the same eighty-six percent of his new, lower monthly adjusted income. That was the legally computed amount.

Eventually, as the economy improved, Rodriguez's income rose (but not by enough to cancel his status for the

voucher program). By 2016, when HPD recertified his voucher status, the agency applied that eighty-six percent figure to the new income, which made the rent soar to \$1,400 a month--or nearly double what Rodriguez had paid before his income had declined.

Rodriguez could not afford it, and was faced with an eviction proceeding in housing court.

But according to the federal judge, once Rodriguez's income rose, he should have paid no more than what he had paid just as the building left the ML program. As the ruling noted, "the statute prescribes that the tenant must permanently pay the same percentage of monthly income in rent that she had paid at the time her building was 'converted.'"

In other words, according to the court, Rodriguez should have been billed no more than the percentage of the income he had earned *before* the building left the program, not the percentage of his new higher income. That rent amount would be significantly lower than the new requested rent, but still higher than 30 percent of the new income.

In short, HUD never imposed the required cap on rent that the law stipulates. As the court noted, "the net effect of that [mis]interpretation is that a participating tenant whose income decreases by the requisite amount but later recovers can end up paying more than she would have paid if her income had never declined at all."

The case, which involved two other tenants, is [Rodriguez vs Carson](#), accessible at bit.ly/2UYh2TP

UPCOMING EVENTS

MLRC General Membership Meeting

Saturday, June 15, 2019
10:00 a.m. - noon

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

642 Washington Street
New York, NY 10014

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

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

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JOIN THE MITCHELL-LAMA RESIDENTS COALITION 2019

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

Name _____

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.

Court: landlords can be held liable for racial harassment by tenants

Tenants who are victims of racial harassment from other tenants now can successfully sue not only the latter, but the owner of the building in which the harassment occurred, even if the owner was not personally involved, so long as he or she knew of the problem and did nothing to stop it.

Donahue Francis, an African-American, was a tenant in Kings Park Manor (KPM), an apartment complex in New York State's Suffolk County. Soon after he moved into his home, his next door neighbor began "a continuous campaign of racial harassment," according to Robert L. Schonfeld, a former NYS Assistant Attorney General, writing in the [New York Law Journal](#). The neighbor "repeatedly used racially derogatory language to Francis's face, told Francis that 'I oughta kill you,' and stood at Francis' open front door and photographed the interior of Francis's apartment."

Fearing for his safety, Francis notified the local police, who in turn informed the landlord of the problem. But the owner, KPM took no action, and neither acknowledged the problem nor responded to various letters from Francis, even after the abusive tenant was arrested under the penal law and pleaded guilty.

Francis eventually filed a law-

suit in the U.S. District Court for the Eastern District of New York against both the neighbor and KPM, alleging violation of federal and state housing anti-discrimination laws.

The District Court, in *Francis v. Kings Park Manor*, initially dismissed the case, but the Court of Appeals vacated the dismissal, arguing that the federal Fair Housing Act applied to various benefits or protections inherent in the act of renting. As Schonfeld observes, "Judge Raymond Lohier noted that Title VII of the Civil Rights Act of 1964 barred both pre- and post-hiring discrimination, and that housing discrimination should not be treated any differently."

In addition, the court noted, a 2016 final rule of the U.S. Department of Housing and Urban Development stated that "hostile environment harassment" could be a violation of the Fair Housing Act if it involved "unwelcome conduct that is sufficiently severe or pervasive as to interfere with ... the use or enjoyment of a dwelling."

Arguing against the complaint, the landlord said that Francis did not allege or prove it's intent to discriminate. But the court held that discriminatory intent is not required to prevail in a case involving the federal Fair Housing Act.

Hell's Kitchen tenants win right to use keys rather than high tech

Tenants in a Hell's Kitchen apartment building won the right to continue using their keys to enter their building, rather than having to rely on a high-tech keyless entry system known as the Latch smart lock which was installed last September.

In April, shortly after five tenants at 517-525 West 45th Street in Manhattan filed a civil suit against their owner, they accepted a settlement that they can continue to use traditional keys, and so do not have to worry about being monitored.

The judge signed off on the settlement, in which the owners must provide keys to any tenant who wants one.

Tenants, especially seniors, had found the keyless system daunting, and frightening. Tony Mysak, 93, once

found himself trapped in his home because he was not capable of using a phone. The smart lock works via a phone system, although it can also be activated by a numeric code punch system

Because the agreement was a settlement rather than a court ruling, it doesn't constitute a legal precedent. Still, the tenants are pleased that they will not be held subject to new and often complex technology.

The Latch smart locks are one example of how new technology can worry tenants. Facial recognition systems are another example. Recently, tenants at Brooklyn's Atlantic Towers, a former Mitchell Lama development, protested to elected and municipal officials against that system, fearing a loss of privacy.

City offers plan to raze two NYCHA buildings for market & Sec 8 rentals

In yet another move towards encouraging private development on land occupied by NYCHA projects, the city is exploring a plan to demolish and rebuild two of the eleven Fulton Houses buildings in Manhattan's Chelsea neighborhood. Like many public housing projects in the city, Fulton Houses are sorely in need of repairs costing millions of dollars, further burdening NYCHA's limited financial resources.

According to the proposal, developers would demolish and rebuild the two smaller buildings and replace them with one large structure.

When completed, seventy percent of the new apartments would be rented at market rates; the remaining thirty percent would be available to tenants who would receive Section 8 rent subsidies, enough to enable them to apply for traditional NYCHA units.

The new building would be managed by a private firm, but NYCHA would retain some degree of ownership in the development. If for any reason the private manager would be unable to continue, NYCHA would reclaim control.

Tenants forced to vacate for the project would be housed in a new building to be constructed on a nearby NYCHA parking lot.

The proposal was developed under the federal Rental Assistance Demonstration program, in which traditional public housing rentals are converted to Section 8 voucher-available units.

In a previous effort to encourage private development on NYCHA land, the city had proposed constructing a mostly-luxury tower in Hell's Kitchen on NYCHA land, but that project has been discontinued. Initially, the plan had called for a building that would be entirely affordable as an offer to the community to support the luxury complex at Hudson Yards on the far west side. Eventually, the income mix was revised to contain mostly luxury units, and still later all-luxury. Opposition to the revised plan was strong enough to convince the authority and city to abandon it.

In a related development, the de Blasio administration has postponed plans to develop private buildings on a parking lot at Cooper Park Houses in Brooklyn's East Williamsburg neighborhood. The city has decided that, with half of the proposed units affordable, financial returns to NYCHA would be insufficient.

Nevertheless, Private builders are still interested in deals with NYCHA. Curbed NY reports that a number of developers are now homing in on city-owned air rights in Manhattan and Brooklyn that NYCHA may sell.

'Meet & Greet' 2019

Politicos and residents discuss housing and other issues at MLRC's 2019 'Meet & Greet' event in April



Serge Joseph Esq and Sue Susman Esq share podium with MLRC Co-Chair Ed Rosner



Councilmember Brad Lander



Councilmember Helen Rosenthal



Manhattan Borough President Gale Brewer and MLRC Corresponding Secretary Katy Bordonaro



MLRC members discuss issues at annual confab

MLRC Developments

These developments are members of the Mitchell-Lama Residents Coalition

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

Donations above membership dues are welcome

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



MLRC members at 2019 'Meet & Greet' event in April



Larry Woods, director of organizing at Goddard Riverside



MLRC Executive Board member Icema Downs



Sue Susman



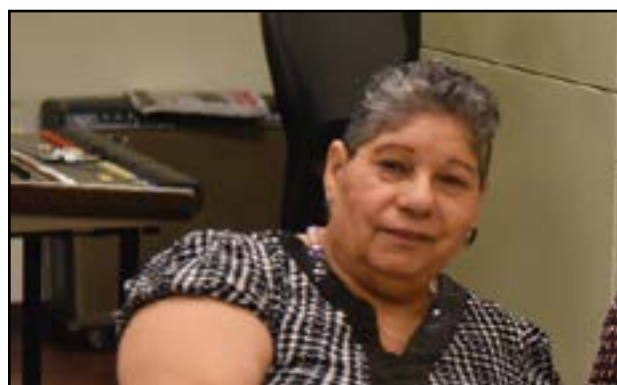
Serge Joseph



MLRC members discussing issues at annual 'Meet & Greet'



MLRC member at 'Meet & Greet' event



MLRC Treasurer Carmen Ithier



MLRC members at 'Meet & Greet' event

HUD seeks to bar undocumented immigrants from public housing assistance programs

(Continued from page 1)

undocumented parents, for example at the U.S. southern border.

Housing justice advocates fear that the SAVE system may result in evicting and deporting many parents and children. According to the National Low Income Housing Coalition, between 22,000 and 25,000 households receiving subsidized housing contain non-eligible family members. Most of these households are in California, Texas and New York.

The new HUD rule may displace 55,000 children

National housing officials were reportedly blindsided by the new HUD proposal. Adrian Todman, chief executive of the National Association of Housing and Redevelopment Officials, said the new policy directive "is a little bit of a shocker. We are curious as to what is motivating this because it's not coming from the industry."

"What makes this proposal seem extraordinarily cruel is that it's looking backwards into existing families who are paying their rent and doing what they are supposed to do," Todman said. "I'm not even quite sure how a judge would look at this, because when you evict, you have to have some type of cause."

HUD's rationale for the proposal

is that public housing assistance should be directed only towards those who are here legally. In a statement, Ben Carson, HUD's Secretary, said "We need to make certain our scarce public resources help those who are legally entitled to it. Given the overwhelming demand for our programs, fairness requires that we devote ourselves to legal residents who have been waiting, some for many years, for access to affordable housing."

According to the Washington Post, the impetus for the proposed policy came from Stephen Miller, a key advisor to Trump, especially on immigration issues.

Louise Carroll named new HPD commissioner

Mayor Bill de Blasio announced that Louise Carroll will serve as the next Commissioner of the Department of Housing Preservation and Development. She is currently the General Counsel of the Housing Development Corporation.

In a statement, the city said that Carroll "will intensify preservation efforts to address displacement before it occurs. Carroll will also work closely with the new Mayor's Office to Protect Tenants to create strategies to hold bad landlords accountable and ensure we are using every available resource to keep New Yorkers in their homes."

Brewer sues de Blasio, NYCHA over east side project

Manhattan Borough President Gale Brewer filed a lawsuit in April against Mayor Bill de Blasio and NYCHA in an effort to stop construction of a 50-story apartment building, of which half of the units would be defined as affordable, on the authority's Yorkville property.

Filed in Manhattan Supreme Court, the suit alleges that plans for the project at Holmes Towers skirted zoning laws and fails to utilize the required public involvement process, known as the Uniform Land Use Review Procedure, or ULURP. The building is slated for land now supporting a playground and walkways.

Under the project, to be known as The Bellwether at Yorkville, the land would be leased to a private developer,

Fetner Properties, which has offered to pay \$25 million to NYCHA.

Brewer's lawsuit states that "By approving the lease and permitting the project, respondents have attempted to improperly and irrevocably evade the Borough President's statutory role in the review of land use applications."

Brewer says she wants the plans to be resubmitted through ULURP.

Some local residents claim that they are upset at the loss of the playground area (although the plans include recreational space), and predict that the below-market-rent apartments will still be unaffordable by many. A spokeswoman for the Mayor's Office, said the project "will raise \$25 million in critical repairs for Holmes Residents and create new, affordable housing."

Real estate firm purchases two former M-L Bronx buildings for \$88 million

Two former Mitchell Lama buildings in the Bronx, now completely free market, were purchased in April by FBE Limited for \$88 million. The buildings contain 355 apartments. The firm purchased the once-affordable structures from Related Fund Management, which had purchased them from Stellar Management in 2015 for \$66 million.

As reported in The Real Deal, the sale was the largest multifamily transaction in the Bronx since Omni New York bought the 1,654-unit Mitchell-Lama complex at 16 Richman Plaza in late 2012 for \$137 million.

The owner of FBE, Ephraim Fruchthandler, "reportedly appeared in 2015 on then-Public Advocate Letitia James' worst landlords list, but appears to have his name removed from later lists."

The two Bronx buildings comprise about 400,000 square feet, making the cost per apartment around \$247,000.

Court rules UWS building can serve more homeless

An effort to prevent the city from fully converting an upper west side apartment building into a shelter for the homeless failed in May, after Manhattan Supreme Court Judge Lyle Frank found that opponents of the project, including some tenants, failed to prove that the city violated zoning and other laws.

As a result, once the conversion is completed, additional homeless families will be allowed to move in, adding to the seventy-five homeless families already there. The building's total homeless population is expected to reach two hundred and twenty individuals.

The building, 306 West 94th Street, was constructed as a residential hotel in 1910.

City shelves plans to develop private housing on Brooklyn NYCHA site

Plans to develop private residential buildings on a NYCHA site in Brooklyn's East Williamsburg neighborhood have been shelved, a result of strenuous opposition from residents and political representatives.

Another reason for the pullback is concern that the project would not generate sufficient funds for repairs to the 11-building public housing project, which reportedly needs around \$120 million over the next five years. Antonio Reynoso, the councilmember who represents the area, said "We need to make sure that whatever we do related to development, we gotta get the bang for our buck."

Affordable housing news from around the nation

Syracuse, NY: City seeks to limit tenant evictions

The city of Syracuse in upstate New York has undertaken a pilot eviction prevention effort that seeks to stop tenants from having to go to court. Case managers contact tenants within a few days of missing a rent payment, and offer a one-time financial assistance or a plan to work out future rent payments if, for example, the tenant has lost a job. Since its onset, the program has resulted in a drop in housing court filings during 2018, the year the program began.

San Francisco: Opposition by wealthy fails to stop new homeless shelter

Despite concerted opposition from wealthy inhabitants, the city is moving forward with plans to construct a 200-bed shelter for homeless people in one of its most desirable neighborhoods. The project, supported unanimously by the city's port commissioners, is the first step towards a goal of 1000 beds. Roughly 7,500 people are estimated to sleep each night on the city's streets. Opponents, who rapidly raised over \$100,000 to fight the shelter, say they fear violence and worry that it will harm a thriving tourist trade "in our front yard." Supporters respond with posters saying "People are dying in your front yard."

Boston: New law bans income discrimination--with a loophole

A new law in Boston bans landlords from discriminating against a tenant's source of income, such as Section 8 vouchers, so long as the income is lawful. But the law has a loophole: owners can ignore the ban if at least twenty percent of their apartments are already occupied by tenants using vouchers. (According to a local councilman, the real estate lobby initially pushed for the ban to take effect if only five percent of the tenants had vouchers.) After four years, the City Council has to vote on maintaining or removing the exemption.

Austin, Tx: Developers offered waivers for affordable units

Following the passage of a \$250 million affordable housing bond, Austin is offering developers who wish to participate in the city's voluntary affordable housing bonus program an opportunity

to secure zoning and other waivers as a result of a new ordinance. Such waivers relate to a building's height and setbacks, compatibility standards, parking requirements, density and yard setbacks. To avail themselves of these options, developers must set aside fifty percent of their proposed apartments as income-restricted units.

Atlanta: Beltline budgets \$11.9 m for affordable units

The redevelopment project known as the Atlanta Beltline--a 22-mile loop of parks and streetcar lanes that will connect 45 neighborhoods--now includes a historic \$11.9 million for affordable housing in its 2020 budget. The ultimate goal is to produce 5,600 units of housing affordable to people earning 80 percent of the area median income. Plans call for affordability to last for fifteen years.

Washington, DC: Commercial strip to be replaced with housing

A strip of single-story retail properties on the capitol's Georgia Avenue may soon be replaced with an affordable housing project. Petra Development, generally known as a luxury developer, said it is planning to construct a 49-unit residential complex on the site, which currently houses a BBQ smokehouse and recently supported a tattoo parlor. The affordable housing will not include any ground floor retail space.

Vermont, Florida: Activists voted onto board of NLIHC

The National Low Income Housing Coalition board of directors unanimously voted onto its board two new members in March. They are **Erhard Mahnke**, the coordinator of the Vermont Affordable Housing Coalition, and **Shalonda Rivers**, president of the tenants association at Florida's 22nd Avenue Cordoba Courts Apartments. In addition, **Marla Newman** was named the new board chair.

Mahnke has worked in housing, community development, and municipal government in Vermont for more than 35 years, including serving as coordinator for the Vermont Affordable Housing Coalition since 1997. Rivers has led her tenants association for more than six years. Newman has over 20 years of housing and community development experience, including serving as executive director of the Louisiana Housing Alliance.

Local Housing Briefs

Despite promise, NYS withholds funding for NYCHA repairs

A two-year-old promise of state funding for NYCHA has still not been met. In 2017, Gov. Andrew Cuomo put \$200 million for the authority's repair needs into the budget; the following year he added another \$250 million, both amounts slated for repairs or replacements, such as boilers, in aging developments. After a long delay, Cuomo argued that he was waiting for a federal monitor to be appointed. One was--Bart Schwartz, a former Assistant US Attorney, who began work on March 1. Still, the funds have not been released. Another state promise to release them has since been made, but without specifying a date. By mid-April, a Cuomo spokesperson told The City that the state was "in active and productive conversations with the city and NYCHA to ensure that the state's resources are effectively utilized."

Proposed senior housing funds not included in de Blasio budget

A mayoral promise last year to allocate \$500 million for senior housing, to be built on NYCHA and HPD lots, will not be kept this year, as Mayor de Blasio acknowledged in April that the funds were not in the current budget. A statement from the administration pointed to the absence of financing from other sources. Such projects "have always been funded from a mix of sources including city capital, low income housing tax credits and debt leveraged by section eight vouchers -- never by city capital alone," a mayoral spokesperson said.

Homeless shelter population predicted to grow 5,000 by 2022

The number of homeless people in the city's shelters is expected to increase another 5,000 people by 2022, compared with a decrease of 2,500 predicted by the de Blasio administration, according to a new [report](#) by the Coalition for the Homeless. In January 2019, the number of men, women and children in shelters reached an average of 63,839 each night. The Coalition calls for constructing 24,000 new apartments and preserving 6,000 more for the homeless.

Archdiocese says 6 properties will become affordable units

The Archdiocese of NYC in April announced plans to convert six church-owned properties in the Bronx and the lower east side into 1,457 below-market rate apartments.

New state law makes it easier to sue landlords for harassment

Rent-regulated tenants who are victims of landlords' harassment will soon find it easier to sue their owners, thanks to state legislation passed in April.

The Tenant Protection Act of 2019 amends the state's penal law to lower the legal standard for bringing a harassing owner to court.

For example, it eliminates the need for a tenant to prove that he or she has suffered physical injury from a harassment method, such as shutting off heat or hot water, exposing tenants to hazardous materials, and the like.

In addition, it creates a new class A misdemeanor against owners who, wishing to evict a tenant, "impairs the habitability" of the unit or building, or is reasonably likely to "interfere with or disturb the comfort, repose, peace or quiet" of the tenant.

If convicted, landlords could

spend up to a year in prison.

Another provision of the new legislation makes it unlawful for landlords to try to push out tenants in two separate apartments by making them unlivable. The penalty here is up to four years in prison.

Under existing law, criminal charges against owners are rarely pursued, given the requirements to prove harassment. For example, prosecutors have to prove that the owner not only intended to force them out of their homes by the harassment methods, but also that tenants suffered physical injury in the process. Under these strict requirements, no landlord has ever been convicted of harassment of rent-regulated tenants in the state, according to the New York State Division of Criminal Justice Services.

As of this writing, the bill awaits the signature of the governor.

City fights back against court ruling on transferring Brooklyn coops in arrears

Despite a state supreme court ruling in March that the city was remiss in ordering a transfer of ownership from a group of moderate-income Brooklyn cooperators to a third party for a backlog of arrears, the battle is continuing, as city attorneys have filed an appeal in May.

Under a program known as Third Party Transfer, cooperators who are behind in their taxes and other payments, such as water bills, lose ownership of their buildings to a temporary nonprofit caretaker or management group, prior to ownership being transferred permanently to another developer (which may even be the original cooperators who demonstrate an ability to better manage the property) to rehab the buildings and manage them as affordable housing.

In the current case, that caretaker group was Neighborhood Restore, which seeks to "foster neighborhood stabilization by efficiently transitioning properties from physical and financial abandonment to responsible third party ownership," according to its website.

In March, the court dismissed the suit, holding that the city, through its Department of Housing Preservation

and Development and its Department of Finance, acted in an "unconscionable" manner by foreclosing on the buildings, located in Brooklyn's Bushwick community. Cooperators, who were about \$78,000 in arrears, were understandably thrilled.

But now city attorneys are challenging that decision, arguing that owners were notified of the foreclosure procedure with sufficient time to pay back taxes, and that the City's "discretion to determine an application for redemption is absolute after the expiration of the mandatory redemption period."

Further, the city argued that processing the buildings through the "in rem" procedure is not "a taking without compensation" because "interested parties [e.g., the cooperators] have an opportunity to redeem."

The conflict between the city and the cooperators has spurred some Brooklyn representatives to call for improving oversight of the transfer program, including establishing a task force to investigate its procedures, doubling the review period from 45 to 90 days, and imposing a temporary moratorium.

Worst landlord evictors exposed by coalition

The Right to Counsel (RTC) Coalition has compiled a [list](#) of the city's worst landlord offenders when it comes to evictions. The group has also listed the banks that provide the offending owners with financing.

Data for the lists were compiled from the city's twenty RTC neighborhoods, where residents are guaranteed the right to have an attorney represent them in legal housing disputes.

Based on the RTC's data, the [Association for Neighborhood & Housing Development](#) has calculated the city's top five RTC's worst landlord offenders and their financiers. They are:

1) Ved Parkash: Sixty-six Evictions in the Bronx. *Key lenders:* Signature, NY Community Bank, Peapack Gladstone, Capital One

2) E&M Associates: sixty-two evictions in the Bronx & eight evictions in Manhattan.

Key lenders: Arbor Realty Trust, Signature, NY Community Bank, Investors Bank.

3) The Pinnacle Group: Twenty-seven Evictions in Brooklyn & nine Evictions in Manhattan. *Key lenders:* NY Community Bank, Chase, Apple Bank, Investors Bank, Santander.

4) Steven Finkelstein / FTRE Realty: Thirty-three evictions in the Bronx. *Key lenders:* People's United Bank, BankUnited, Cantor Commercial, Capital One.

5) Chestnut Holdings: Thirty-two Evictions in the Bronx. *Key lenders:* NY Community Bank, Santander, Chase, Signature, Apple Bank.

ANHD has issued a call for lenders on the list to "promptly review any loans made to these landlords and do everything possible to ensure no more tenants are subject to the undue hardship and stress caused by evictions and the threat of evictions."

The group has also asked bank regulators to "review these loans as well and hold lenders accountable for loans that violate any of the standards of responsible lending."

The full [list](#) by borough is available at <https://www.worstevictorsnyc.org/evictors-list>

Former army reserve building slated for low-income apartments

The Doe Fund, a nonprofit group serving formerly incarcerated and homeless people, will renovate a former four-story army reserve center in the Wakefield section of the Bronx for affordable housing with supportive services.

Located at 555 Nereid Avenue, the 51,000 square foot structure will eventually provide ninety apartments. Among the studios, 54 will be specified for formerly homeless veterans, and 35 for low-income individuals, with a preference for current area residents. Monthly rent for low-income residents will be around \$900.