

Spitzer: A promising start, but what next?

By Natasha Winegar

During his campaign Eliot Spitzer promised "On Day One, everything changes." On Day Two of his administration, the new Governor blocked pro-landlord administrative changes to state and city rent and eviction regulations.

These regulatory changes, proposed by the state Division of Housing and Community Renewal, were a last gift to landlords from the outgoing Pataki administration. If adopted by DHCR, these changes would have allowed city landlords to pass the cost of lead abatement work on to tenants in the form of permanent rent increases. When creating this proposal, DHCR clearly did not take into account the fact that city law does not require landlords to do full lead abatement work, only remediation in areas where there is a known lead paint hazard. The regulatory changes also would have allowed owners to charge new tenants of rent stabilized apartments a security deposit of two months' rent, creating a heavy financial burden for working and poor families trying to pull together enough funds to rent an apartment.

DHCR also proposed to ease evictions by allowing landlords to evict rent controlled tenants who charge their roommates more than a 50 percent portion of the rent; and to begin eviction proceedings against rent-stabilized tenants mid-lease on the grounds that the tenants are not using their apartments as their primary residences.

DHCR planned to make these regulatory amendments official on January 3 by publishing them in the State Register. Tenants & Neighbors worked to mobilize community groups and elected officials to push Spitzer to prevent their publication, knowing the new governor would have only

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NEWS FROM THE STRUGGLE FOR TENANTS' RIGHTS AND AFFORDABLE NEIGHBORHOODS

TENANTS & NEIGHBORS

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New York State Tenants & Neighbors Coalition

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Albany Shake-Up Spurs New Campaign

The political climate in New York State is changing rapidly for the better, and tenants must act promptly to take advantage of it. After 12 years of losing ground under a gridlocked state legislature and the most anti-tenant governor in our state's history, we have a real opportunity to reverse the loss of our affordable housing.

We have a new governor who hasn't been great on our issues, but hasn't been terrible either. Eliot Spitzer is shaking things up in Albany—including working aggressively to make the Democrats the majority in the State Senate. On this front, more power to him.

Other factors have contributed to the altered political landscape. The recent sale of Stuyvesant Town and Peter Cooper Village, and the threatened sale of Starrett City, has finally made the mainstream media recognize that the downstate region has a disastrous housing affordability crisis. And New York City Council Speaker Christine Quinn is determined to win return of home rule over rent laws.

Tenants & Neighbors is a central actor in an exciting new statewide campaign that is focusing on repeal of vacancy decontrol, restoration of home rule to New York City, preservation of Mitchell-Lama and Section 8 housing, restoration of operating funds for state public housing, and reform of DHCR. In addition to working with other tenant organizations, we are partnering with labor unions and the Working Families Party.

Stuyvesant Town Rally on Wednesday, May 23

We must mobilize tenants in a way that we have not done since the Great Rent War of 1997, when Republican Senate Majority Leader Joe Bruno threatened to end all rent protection laws. A giant rally on Wednesday, May 23 will take place at Stuyvesant Town, which has become a lightening rod for the affordable housing struggle. The rally will be from 5-7:00 pm. Take the L train to First Avenue and 14th Street.

This is not going to be an easy fight. We are up against the power



William Alariste, New York City Council

Tenants Association President Al Doyle speaks at a rally last September 5 to protest the announced sale and steady de-regulation of affordable apartments at Stuyvesant Town and Peter Cooper Village, a bastion of middle class housing on Manhattan's East Side. Among the tenants, elected officials and labor leaders present were (left to right) resident Shirley Erlichman, unidentified man, City Comptroller William Thomson, City Council Housing Chair Erik Dilan, U. S. Senator Charles Schumer, City Council member (and Peter Cooper resident) Dan Garodnick, Al Doyle, Manhattan Borough President Scott Stringer, City Council Speaker Christine Quinn, Assembly member Sylvia Friedman, and Ed Ott, executive director of the NYC Central Labor Council.

of landlord money. But the sea change taking place in Albany gives us our best opportunity in years. Tenants must devote resources including time, energy, and financial support to this struggle.

Tenants have enormous political power—if we use it. The time is

now. Dear reader, it is up to you.

See page 9 for a list of organizations participating in this campaign. To find out how you can get involved e-mail info@tandn.org, call (212) 608-4320, ext. 404, or check out our web site at www.tandn.org.

Supreme Court Justice throws out Nassau rent guidelines

Tenants file class action lawsuit demanding rollbacks

By Michael McKee

For only the second time in the 37-year history of the rent stabilization system in New York State, a judge has invalidated rent increases adopted by a Rent Guidelines Board.

On October 16, Supreme Court Justice Thomas Feinman issued a six-page decision that invalidated Guidelines Order 40 adopted by the Nassau County Rent Guidelines Board

in September 2005. The ruling was based on a lawsuit filed last January by New York State Tenants & Neighbors Coalition and Stephen Robinson, a rent-stabilized tenant in the Village of Hempstead.

Tenants & Neighbors argued that Guidelines Order 40 violated the Emergency Tenant Protection Act of 1974, and was adopted following a violation of the state Open Meetings Law. Jus-

tice Feinman ruled in our favor on all our arguments. In addition, he rejected the argument of the RGB that Tenants & Neighbors lacked standing to challenge the guidelines.

The only other time a court invalidated a vote of a Rent Guidelines Board was in 1978 when the Rent Stabilization Association—a landlord group despite its name—sued the NYC RGB for violating the Open Meetings Law by convening a meeting to vote on guidelines without the required notice to the public.

Tenants file class action lawsuit

The invalidated guidelines—5.25 and 7.25 percent for almost all Nassau tenants—applied to all rent-stabilized leases that were renewed between October 1, 2005 and September 30, 2006. According to the NYS Division of Housing and Community Renewal, 82 percent of Nassau County tenants in rent-stabilized apartments renewed their leases for one- or two-year terms under Guidelines Order 40. This is far higher than the normal annual renewal rate, no doubt a result of the fact that after three years of very high rent increases, many tenants who in the past renewed for two years had switched to one-



Walter Karling

January 30 news conference outside Nassau Supreme Court in Mineola to announce filing of class action lawsuit against Nassau County landlords. Left to right, plaintiff Ellen Perry, Long Beach; Natasha Winegar, Tenants & Neighbors organizer; attorney Reza Rezvani of Hofstra Law School Housing Rights Clinic; Rob Rychlowski, Long Beach; legal intern Meredith Victor; Paul Shapiro and Julie Shields, Great Neck.

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Board of Directors:

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Staff:

Interim Executive Director: San Milton

Sandy Boyer, Alan Chan, Amy Chan, Patrick Coleman, Mary Kolar, Miriam Serrano & Natasha Winegar

Editor: Sandy Boyer
Copy Editors: Emily Margolis, Miriam Serrano

Statewide Office:

236 West 27th Street
4th Floor
New York, NY 10001-5906
212 608-4320
Fax: 212 619-7476

Albany Office:

248 Hudson Avenue
Albany, NY 12210-1802

email: info@tandn.org
web: www.tandn.org

Our Mission:

To build a unified and powerful statewide organization that empowers and educates tenants, preserves affordable housing and livable neighborhoods, and strengthens tenant protections.

For more than 30 years, Tenants & Neighbors has organized, advocated, and lobbied on behalf of tenants to preserve and improve our housing. Tenants & Neighbors provides New Yorkers who live in rent-controlled, rent-stabilized, Mitchell-Lama, and Section 8 housing with the information, organizing, and technical assistance to preserve the affordable housing supply, protect our rights, and demand decent conditions in our buildings.

In rent-regulated housing, Tenants & Neighbors organizes and advocates for the rent control and stabilization laws, for better enforcement of the laws, and for balanced representation on Rent Guidelines Boards.

In federally subsidized (Section 8) housing, we organize and support tenant associations to win improvements in buildings and preserve affordability.

In state-subsidized (Mitchell-Lama) housing, we work to develop the capacity of tenants and tenant associations to win improvements in buildings and preserve affordability.

We also advocate in Albany and Washington to preserve and improve this affordable housing.

Spitzer must address DHCR reform

During the Pataki administration the state Division of Housing and Community Renewal adopted numerous pro-landlord policies that have facilitated evictions, raised rents and hastened the deregulation of thousands of rent regulated apartments. During the same period Pataki achieved significant legislative changes that, combined with the administrative changes, have greatly weakened tenant protections and worsened the housing crisis.

With a new governor who is dedicated to responsible government, New York State has the opportunity to undo the harmful changes Pataki made at DHCR. While tenants will also fight for home rule and repealing vacancy decontrol in order to end the phase-out of rent regulation, a few changes to the administrative regulations and agency practices would restore even-handed administration of the rent laws. Governor Eliot Spitzer can make many of these changes administratively; others would require legislative approval. The following is a brief overview of these much needed reforms.

Protect tenants

Throughout his tenure, Pataki turned DHCR's Office of Rent Administration over to friends of the real estate industry who created many anti-tenant policies and procedures.

Now DHCR must simplify their complaints systems and make the agency more accessible to tenants. The website and borough

and county offices should be made more user-friendly, offering tenants useful information in multiple languages. The agency should also hire lawyers, fraud experts, auditors and engineers to oversee and reform the troubled programs like the one that reviews landlord requests for rent increases for Major Capital Improvements.

The lease renewal system should be tightened and allow for the addition of family members other than a spouse to the lease. Lease riders and registration statements should contain more useful information including details about rent increases, vacancy improvements and MCIs.

The agency's policies regarding harassment are in desperate need of reform. By requiring staff to research repeated cases of harassment by one landlord and instituting real penalties, DHCR and the new governor could protect the thousands of tenants who are forced out of their homes each year by landlords seeking higher rents.

Slow the loss of units

In order to truly slow the loss of rent regulated units, the governor and the legislature must repeal vacancy decontrol. However, short of repeal, tightened DHCR procedures could slow the rate of decontrol and prevent landlords from illegally decontrolling more units.

DHCR should restrict demolitions to buildings that will actually be razed, and re-instate the practice of holding a hearing before authorizing any evic-

tions for demolitions. Provisions allowing owner-use evictions in New York City must be conformed to suburban standards, which among other things would require landlords to prove that they need the housing.

DHCR and the Legislature have gutted the rent registration system, which has allowed landlords to get away with rent overcharging and to deregulate units improperly when they have been rehabilitated or divided up. The registration system should be restored to its prior effective status.

Restrict rent increases

Pataki's DHCR adopted policies that allow landlords to receive exorbitant, runaway rent increases. This has caused the displacement of tenants who can no longer afford to pay even a regulated rent, and accelerated the deregulation of apartments.

DHCR should tighten their preferential rent rules. Changes made in 2003 caused many tenants, whose landlords were charging a lower "preferential" rent instead of the higher legal rent, to experience giant rent hikes and lose their homes.

The new governor should also prohibit "unique or peculiar circumstances" rent increases when buildings leave the Mitchell-Lama program and enter rent stabilization. Landlords are using this little-known clause in the Emergency Tenant Protection Act to achieve huge rent hikes that would ultimately displace thousands of tenants.

Spitzer should also impose safeguards against fraudulent Major Capital Improvement rent increases. DHCR staff should be required to look behind landlords' MCI applications, perform inspections, and check for landlords who are keeping double books.

Landlords can legally increase the rent by 1/40 of the cost of any improvements done in between tenancies, but many cook their books and raise the rents with the goal of illegally deregulating their apartments. There is no enforcement unless the new tenant files a challenge to the rent, which very few new rent stabilized tenants know they have the right to do. DHCR should begin to monitor and inspect these rent increases as well.

In order to save New York State's largest stock of affordable rental housing, Spitzer must reform DHCR. Deborah Van-Amerongen, the new DHCR commissioner, needs to operate with an open door policy and bring tenants and advocates to the table. Governor Spitzer's rejection of Pataki's last minute pro-landlord administrative changes (see story on page 1) should make tenants more hopeful that these changes and reforms will happen. However, tenants must prepare to fight for them.

A coalition of tenants and community groups including Tenants & Neighbors produced a comprehensive fact sheet that details the DHCR reforms we are seeking. This article necessarily omits many details. For more information or a copy of this fact sheet, please contact Natasha Winegar, Tenants & Neighbors' Rent Regulation Coordinator at 212-608-4320, ext. 400, or you can contact Jenny Laurie from Met Council on Housing, who compiled the fact sheet, at 212-979-6238, ext. 207.

Rent Guidelines Board Meetings —NYC tenants get ready!

The 2007 New York City Rent Guidelines Board hearings are just around the corner, and tenants can expect a few changes this year.

Mayor Bloomberg is in the process of appointing new members to the board. As Tenants & Neighbors went to press, there was no word on who the new appointees might be, but some solid information was available.

The Mayor is not reappointing David Pagan, who has served skillfully as one of two tenant members since 1997. Public member Gale Kaufman resigned as did landlord member Harold Lubell, whose tenure on the RGB began in 1985. Kaufman, who

might as well have been a landlord member, will not be missed.

Rumor has it that Bloomberg plans to replace public member and board chair Marvin Markus. For years Markus was disrespectful to tenants and had frequent outbursts. Last year he even went so far as to throw Tim Collins, former executive director of the RGB, out of a public meeting, yelling, "Get the f_ck out of here."

Markus' antics helped provoke tenants to organize for the public hearings, and the June 27 final vote. Hundreds of tenants shut the June 27 meeting down for four hours after Markus prevented a vote on a resolution

sponsored by the tenant members in favor of local control over the city's rent laws. These protests were successful in exposing the rent guidelines process as a sham, and advanced the cause of home rule. However, they did not prevent Markus from engineering another round of excessively high rent hikes.

In 2007, we want to continue the momentum from last year's tremendous show of strength. Tenants will need to continue to push for change and should stand ready to participate beginning in April. For more information, call Natasha Winegar at (212) 608-4320, ext. 401, or email her at natasha@tandn.org.

Bequests to Tenants & Neighbors

When you make your will, we hope you will consider making a gift to Tenants & Neighbors.

Generous bequests from our supporters have helped to sustain our vital work to defend tenants' rights and preserve affordable housing.

If you are considering remembering Tenants & Neighbors in your will, please consider this wording:

"I hereby bequeath to the New York State Tenants & Neighbors Coalition, located at 236 West 27 Street, New York, NY 10001; the sum of \$_____ to support its programs."

Your bequest will be tax deductible if it is made to the New York State Tenants & Neighbors Information Service, our 501(c)3 affiliate.

Bronx Tenants Navigate Foreclosure, Federal Policy Changes to Save Their Homes

By Patrick Coleman

Recent editions of *Tenants & Neighbors* have included articles about the federal government's policies regarding distressed HUD-assisted buildings. This story is intended to demonstrate how these situations affect the families, and how tenants in these buildings are organizing to win affordable housing and renovations. *Hunts Point I Rehab Apartments*, discussed below, is one of three HUD-assisted properties in NYC currently threatened with HUD foreclosure. Recent data collection indicates that a total of more than 12,000 units in NYC are at risk of similar circumstances due to failing physical inspection scores.

A Case Study of a Distressed HUD Property in NYC

After being poorly renovated over 20 years ago, the building systems at Hunts Point I Rehab Apartments in the Bronx began to fail in recent years. Faulty boilers resulted in frequent heat and hot water problems. The roof leaks and the bricks need re-pointing so badly that the owner has been required to construct scaffolding around the building to protect pedestrians from bricks that might fall from the façade to the sidewalk.

Facing the end of the building's project-based Section 8 contract, which ensures affordability for the 125 low-income families, the owner applied for HUD's Mark to Market program, which would have extended the Section 8 contract and made money available to address building needs. However, the rehabilitation costs for the property, estimated at \$10 million, were so high that in December 2005, HUD disqualified the property from the Mark to Market program, as they were unwilling to assure the owner the high subsidy payments necessary to support their proposed refinancing plan—which was uniquely high because of the building's substantial repair needs.

Two months later, according to HUD program guidelines, the property's Section 8 subsidy was adjusted to match the market level for comparable apartments in the neighborhood. At Hunts Point I Rehab Apartments, this new subsidy level resulted in a nearly 40% decrease in annual rental revenue. Shortly thereafter, the owner fell behind in their mortgage payments, and now HUD has initiated proceedings to foreclose on the property.

Facing the threat of foreclosure, a forced change in ownership to an unknown entity, uncertainty about continued affordability, severely substandard conditions,



Hunts Point I Apartments in the Bronx is one of three HUD-assisted properties in NYC currently threatened with foreclosure. Hunts Point tenants, including (left to right) Gladys Vellagomez, Millie Colon, and Sara Lind, want New York City to purchase their building's mortgage from HUD.

and increasingly strained relationships with the owner and management company, tenants formed the United We Stand Association/ Unidos Estamos Asociación in January 2006.

"With uncertainty on all sides and living in bad conditions that were getting worse, we organized our tenant association to empower residents to fight for our rights to decent housing," says Mildred Colon, a resident of Hunts Point Rehab Apts for 24 years.

Tenants Prepare for Foreclosure; Try to Force a Change in Ownership

The end result of a HUD foreclosure action is a public auction. Over the last 10 years, these proceedings too often have been structured in a manner that terminates affordability, does not ensure adequate renovation, and does not sufficiently screen potential purchasers for qualifications—opening the door to purchases by slumlords.

So the United We Stand Association /Unidos Estamos Asociación is trying to avoid a public auction and instead force a change in ownership of their building through another means—one where the tenants could have more control over the situation.

Gladys Vellagomez, a member of the tenant association and a resident for over 20 years states that the tenants "ideally want to avoid a public auction. We are fighting to have a new, responsible owner come into the property who will work with our tenant association to keep the buildings affordable for current and future tenants and improve the conditions and the security."

One of the tenant organization's proposals is for New York City to

purchase their building's mortgage from HUD. Thereby, tenants would not need to be concerned about the political and policy whims of HUD in pursuit of foreclosure. Instead, with the City holding the mortgage, tenants could find a partner historically more willing and currently poised to work with residents of distressed HUD properties to ensure responsible ownership, continued affordability, and comprehensive rehabilitation.

This mortgage sale proposal for Hunts Point I Rehab is related to a comprehensive proposal that the City of NY has put forward to HUD. Across NYC, there are about 25 buildings, like Hunts Point I Rehab, where HUD holds the mortgage and could foreclose. NYC has proposed purchasing all of these mortgages from HUD, as part of a Property Disposition Demonstration program. (see page 5 for more information). Hunts Point I Rehab tenants put forward

their proposal in case the City and HUD have not completed final negotiations on the entire package of mortgages.

Should tenants' hopes to avoid a public auction not be successful, the United We Stand Association /Unidos Estamos Asociación is working with their elected officials to pressure HUD to attach restrictions to any public auction in order to limit potential bidders to groups who share the tenants' goals of affordability.

Preparing for a change in ownership, the tenant organization has been interviewing affordable housing developers to identify a desired preservation purchaser who will work with the tenant organization to realize their goals of responsible ownership, permanent affordability and comprehensive renovation.

Recent Federal Policy Changes Affect Tenants' Organizing Efforts

Due to a high number of HUD foreclosures on distressed build-

ings in NYC in recent years and successful organizing efforts by tenant associations, there have been a number of recent policy changes which affect Hunts Point I Rehab tenants.

Most substantially, in the fall of 2005, Senator Charles Schumer won adoption of legislation that requires HUD to maintain the project-based Section 8 contract for buildings in this situation through foreclosure—thus ending a decade long HUD tendency to end such contracts, convert to Section 8 vouchers and thereby terminate affordability.

Currently pending in Congress is a bill recently introduced by Congresswoman Nydia Velazquez, which addresses a broad range of issues critical to ensuring the continued affordability and renovation of distressed buildings like Hunts Point I Rehab. (see page 5 for more information)

Unfortunately, in an effort to cut costs to pay for the Iraq war and tax cuts for the rich, in the fall of 2005, the Republican Congress de-funded a grant program that had provided major resources to renovate distressed HUD buildings. Now, Hunts Point I Rehab tenants are working closely with their NYC Council Member, Maria del Carmen Arroyo, and Congressman José Serrano to identify other resources to pay for the building's renovations once the ownership of their property is transferred to a responsible preservation purchaser.

"We are working closely with our elected officials to make sure that a responsible affordable housing developer assumes control of our homes, that they are kept affordable and that there is enough money to make needed repairs. Throughout these struggles, the involvement of the tenant association is critical to make sure that our goals and hopes are realized. After all, we are the ones who have been abandoned. We have a right to determine what happens to our homes," says Sara Lind, a resident of the development for two decades and a member of the tenant association.

Mitchell-Lama Buildings Update

- Congratulations to **Tivoli Towers** (Brooklyn) and **Park Lane** (Bronx) for succeeding in the fight to keep their buildings in the Mitchell-Lama program for another 18 years and 15 years, respectively, based on a restrictive covenant uncovered in their deeds.
- Another hearty congratulation to tenant leaders who are working with the Office of the Bronx Borough President to create the **Bronx Mitchell-Lama Task Force**. The Task Force will launch some time in late March to early April.
- Regrettably, **Dancia House** and **Undercliff** (Bronx) left the Mitchell-Lama program in December and are now rent stabilized. Most recently, **Ocean Towers** (Brooklyn) also bought-out only a month into the new year.
- Tenants Associations continuing to fight pending buyouts include: **Clinton Towers** and **Twin Parks NW and SE** (Bronx), **Lakeview Apartments**, **Lionel Hampton Houses** and **Westview Apartments** (Manhattan); **Court Plaza** and **Meadow Manor** (Queens); **Island House** and **Westview** (Roosevelt Island); and **Castleton Park** (Staten Island).
- **Independence Plaza North** (Manhattan) is awaiting a court decision regarding J-51 and the application of rent stabilization to their buildings.
- **Starrett City** (Brooklyn) was put up for sale in December. Although there is no buy-out pending at the moment, the risk of a buy-out after the sale is very great if the cost of the sale nears the \$1.3 billion price tag.

TENANTS & NEIGHBORS

Report from the Executive Director

Jumaane Williams

After two fast-moving years working to strengthen Tenants & Neighbors as executive director, I have decided to move on to devote myself full-time to a business project.

Of course I have mixed emotions about leaving. I am deeply devoted to the mission of the organization and social justice in general, and I am proud of what I've been able to accomplish here. With displays of tenant power from shutting down the Rent Guidelines Board to keeping up the fight for Local Law 79, I had fun too. And I do intend to return to social justice work in the future. However, I also feel that it is an exciting time for change, a time to pass the baton to a new person who can help see Tenants & Neighbors through its next stage of development.

Through this transition, Tenants & Neighbors is in very good hands, with a dedicated, brilliant board and staff and the Community Resource Exchange (CRE) involved in the transition process. CRE is a highly respected organization that provides executive director transition and other management assistance to non-profits in New York City.

I have been faithful to my agreement to devote two years to helping Tenants & Neighbors through a tough period. I committed above all to help steer the organization to a better financial position, and I am proud of the great success

I've had in doing so.

Over the past two years we've increased funding, programs, and staff. We amended our by-laws to strengthen our board and increase grassroots fundraising. We maintained visibility and commitment to our work.

None of these achievements would have been possible without friends and supporters like you. Yet there is still so much to do that would enable Tenants & Neighbors to fully staff our Mitchell-Lama and Rent Regulation programs, as well as expand our Section 8 work. In addition, expanding our membership base and developing new programs will help ensure that our work endures the ebbs and flows of the foundation world.

Obviously, we could do much more, with increased staffing and support in place. I write this now to ask you to continue—and even strengthen—your support for Tenants & Neighbors during this time of transition. A donation form can be found on page 12. You, the members of Tenants & Neighbors and your support have been critical to the success of our programs, and that support, especially now, remains crucial.

Thanks again for being the foundation of this organization and allowing me to take part in keeping tenants voices heard.

With every great wish,
KEEP THE STRUGGLE ALIVE!!!

The members of Tenants & Neighbors have been critical to the success of our programs

Executive transition at Tenants & Neighbors

After two fast-paced and successful years as Tenants & Neighbors executive director, Jumaane Williams left office on February 1. He will continue to be involved as a member of Tenants & Neighbors.

During his time as executive director, Jumaane improved the organization's financial position, built relationships with new ally organizations, and launched our new Mitchell-Lama organizing project. His successes will continue strengthening the organization for years to come. The organization wishes him well as he pursues a new business opportunity and prepares for his next step as a social justice advocate.

San Milton is now acting as the organization's interim executive director, focusing on building better organizational systems as staff and board members take up interim leadership on organizing and advocacy work.

The search for a new executive director is now well under way, as a committee consisting of five Tenants & Neighbors board members and staff representative, Miriam Serano, is now reviewing resumes and working with the Community Resource Exchange on an interview and hiring process.



Outgoing Executive Director of Tenants & Neighbors, Jumaane Williams.

United Tenants of Albany buys headquarters

A major drain on any non-profit organization's budget is rent. Most non-profits rent space, and normally only those with multi-million dollar budgets can think of purchasing a building to house its staff.

Last summer United Tenants of Albany, a founding member organization of Tenants & Neighbors, secured some stability—and took on some risk—by purchasing the building at 33 Clinton Avenue where the group had rented for 20 years.

“Our landlord relocated to Argentina, where he bought a ranch, and he needed cash,” explained Maria Markovics, who founded UTA with her husband Roger in 1970. “At first we looked at other rental possibilities. The landlord was going to sell in any case, and we would have to relocate if we didn't buy the building.”

UTA borrowed funds from the Capital

District Community Loan Fund to purchase the property, taking out a 30-year mortgage. The building consists of the ground-floor UTA office and two apartments, one used by another non-profit for transitional housing and the other vacant and in need of gut rehab. “This is not something we went into with great joy,” added Markovics, “but it seemed the only way to achieve some stability. It is not the greatest space but it has been our home for 20 years and the staff are comfortable here.”

The Community Loan Fund, established in 1986 through the efforts of United Tenants of Albany, finances socially responsible projects, including low and moderate income housing. UTA assists hundreds of tenants each year through its eviction prevention programs.

TENANTS & NEIGHBORS

HUD HOUSING COLUMN

Patrick Coleman

NATIONAL NEWS

After 12 years of Republican control of Congress, the Democrats won a majority in the House of Representatives and the Senate in November's elections. If the tenant movement is strategic, this shift in national power dynamics could result in major advances for all tenants—but primarily those in HUD-assisted housing.

Almost immediately after the election, HUD officials in Washington, DC became much more responsive to organizations aligned with HUD tenants, and the Democrats seem emboldened by their victory to push for pro-tenant legislation to preserve affordable housing.

Within 3 days after November's elections, Tenants & Neighbors and our close allies were approached by two Congresspeople inquiring about our federal legislative priorities. And on January 4th, the first day of the new Congressional Session, Congresswoman Nydia Velazquez filed H.R. 44, the Stabilizing Affordable Housing for the

Future Act, which provides critical tools to preserve distressed HUD-assisted housing. (see more about H.R. 44 on page 5)

This change, from the closed-door deals and remoteness of the Republicans, who often seemed to draft housing policy in a manner intended to benefit the real estate industry at the expense of tenants, to the Democrats' outreach to organizations like Tenants & Neighbors, is a breath of fresh air.

Now, the tenant movement needs to ensure that the Democrats' efforts are maintained and actually result in some wins.

New Yorkers are uniquely poised to help in this national effort. A number of our federal elected officials serve on the committees which write housing legislation and fund these programs. Among others, Congressman José Serrano, a long-time tenant ally, sits on the House Appropriations Committee and can help tenants secure funding for housing programs; Congresswoman Nydia Velazquez is on the House Financial Services committee, which writes housing legislation; and

Senator Charles Schumer, largely because of his record serving low-income tenants, was rewarded with the Chairmanship of the Senate Banking subcommittee charged with crafting housing programs.

To ensure that elected officials do not forget the grassroots efforts which got them elected, it is critical that we continue to mobilize allies, that we remain in close contact with our representatives and that we push for the passage of legislation to increase tenants' power over their homes.

President Bush Submits Fiscal Year 2008 Budget; Tenant Programs Hit Again

President Bush's proposed budget does not bode well for HUD tenants: he requests an 8% cut in the HUD budget. The Section 8 voucher funding is essentially frozen, which, due to inflation, will likely result in a cut of 40,000—80,000 vouchers nationally. Public housing operating funds are also hit hard, as the President's budget recommendations will only meet about 85% of the actual need.

The President's proposed budget now goes to Congress which will amend it and finally pass a budget for the next Fiscal Year. It will be critical for HUD tenants to monitor the budget process to ensure that Congress fully funds affordable housing programs. You can stay tuned to the budget process through the Center on Budget and Policy Priorities website at www.cbpp.org, or by checking in periodically with Tenants & Neighbors staff.

LOCAL NEWS

NY Supreme Court Hears Arguments on NYC Local Law 79

On November 28th, State Supreme Court Justice Marylin Schaffer heard arguments from both sides about Local Law 79, the New York City Tenant Empowerment Act. This law gives tenant associations, or a developer they choose, the right to purchase buildings when the owner seeks to convert Mitchell-Lama buildings occupied before 1974 and project-based Section 8 housing to market rate.

Soon after its adoption in 2005, a landlord organization, the Real Estate Board of New York, filed a lawsuit to have LL 79 declared unconstitutional. The City's Department of Housing Preservation and Development (HPD), under the direction of Mayor Bloomberg, has supported REBNY's claims.

Judge Schaffer is also reviewing a lawsuit filed by the Mother Zion Tenant Association against HPD. Facing the owner's desire to opt-out of the project-based Section 8 contract at their building, the tenant association invoked LL 79. HPD failed to convene an appraisal panel to determine the value of the property, as the law requires, which prompted the tenant association to sue HPD.

There is no deadline for Judge Schaffer's ruling. But the Mother Zion Tenant Association, whose Section 8 contract expires this spring, and the rest of the tenant movement, anxiously await her decision.

Patrick Coleman, the Tenants & Neighbors Preservation Coordinator, can be reached at 212 608-4320 ext. 306

HUD Tenants Need New Preservation Program

By Mary Kolar

Tenants of Oceanview I in Far Rockaway have endured bad building conditions for years, but lately things have been “going from bad to worse.” That is, according to one tenant, whose bathroom sink is completely disconnected from the wall, sitting on the bathroom floor, cracked down the middle into two pieces. Management does not respond to her complaints. This problem is just one of hundreds. In apartment after apartment, cracks stretch along ceilings and walls, front doors have screwdrivers wedged into them as make-shift locks, hot water is rare, and there is no form of security whatsoever. Most tenants have given up on management even responding to their calls, let alone addressing the gaping holes and mold that plague the walls of their apartments.

Oceanview I is just one of over 80 federally-assisted buildings in New York City that are in serious physical distress. Throughout the past year, the Partnership to Preserve Affordable Housing (PPAH), a coalition formed by Tenants & Neighbors, Pratt Area Community Council, South Brooklyn Legal Services, the Urban Home-steading Assistance Board, Legal Aid Society, and Community Service Society, has collected data showing the total number of HUD-assisted buildings and units in NYC that are in such distress.

PPAH has found that 80+ buildings, with more than 12,000 units of affordable housing, have failed their most recent HUD inspection. HUD’s inspectors, from the Real

Estate Assessment Center (REAC), perform periodic physical inspections on all federally-assisted buildings. These inspections yield scores of anywhere from 1 to 100; with any score of 60 or below considered failing. Oceanview I scored a 12 in late 2006.

The number of buildings with failing REAC scores is troubling not only because it demonstrates the gross amount of poorly maintained developments in NYC, but also because it indicates the number of buildings that may face potentially dangerous enforcement action from HUD.

HUD’s Attempts to Improve Distressed Buildings Often Threaten Tenants

When a HUD-subsidized building fails two or more consecutive REAC inspections, HUD has discretion to execute enforcement action, effectively holding an owner accountable for improperly managing a building. While this accountability is necessary, the ways in which HUD has, historically, interpreted its options around enforcement often pose threats not only to future conditions of the property, but also to preservation of affordability. Enforcement can include anything from suspension of Section 8 subsidy payments to possible foreclosure of a property. These options, especially foreclosure, can often lead to further declining conditions, and even to loss of affordability if the Section 8

contract is terminated while a building is in the foreclosure process, placing tenants at risk of displacement.

These potential problems of HUD enforcement became especially evident several years ago when 14 buildings throughout NYC were suddenly facing foreclosure. PPAH and its allies worked frantically to preserve these buildings. Through the experience gained from those individual building campaigns, PPAH, mobilized tenants, and other allies worked to develop more comprehensive preservation programs and tools.

Tenants in three HUD-assisted buildings in NYC are currently entrenched in this struggle: Hunts Point I Rehab in the South Bronx (see article on page 3), 738 St. Mark Rehab in Crown Heights, and Siloam House in Bedford-Stuyvesant.

PPAH’s Preservation Model

As PPAH collects and analyzes data from various sources, the group is able to identify buildings at risk of HUD enforcement action. Through working with tenant groups in those initial 14 distressed buildings, PPAH was able to develop a model for organizing at risk buildings. It hinges on “tenant choice,” the idea that tenants have a right to shape the future of their homes. Equipped with organizing and legal support, tenants choose a model of ownership that best suits their homes, decide what

rehab needs to be done, and ultimately select a developer who will meet the needs of the tenant body. But tenants, advocates, and developers still need legislative and financial tools in order to shape tenant-driven building campaigns.

Creating Consistent Policy to Address a Continuous Problem

Tenants in distressed HUD-assisted properties have found an ally in NYC’s Department of Housing Preservation and Development (HPD). After working hard to preserve and renovate those first 14 buildings facing foreclosure, PPAH and HPD began to push for a NYC Property Disposition Demonstration Program, which would give the City more control over the future of distressed HUD properties. Rather than having HUD coordinate the enforcement action against negligent owners, the proposed PD program would have the City step into HUD’s shoes to pursue enforcement in a manner that better ensures future affordability and rehabilitation. With this authority, HPD could facilitate restricted foreclosure auctions that would result in transfers of ownership to qualified, tenant-endorsed developers with intent to rehab buildings and maintain long-term affordability.

Members of Congress have worked to shape federal policy in a way that would better facilitate property disposition and would help give the City the authority it needs to carry out preservation efforts. On the first day of the 110th Congress, Representative Nydia Velazquez (D-NY) introduced the bill H.R. 44. Among other things, the Velazquez bill would:

- Repeal HUD’s “flexible authority,” the justification the Department has routinely given for not working to preserve affordability and livable conditions;
- Extend the Schumer Amendment, which mandates HUD to continue rental assistance payments during and after foreclosure, escrowing those payments to support rehab funding; and
- Extend foreclosure authority to units of local government, such as the City of New York, allowing them to shape the disposition process in a way that would suit specific regional needs and protect existing and future low-income tenants.

PPAH and other advocates are currently working to garner support from additional members of Congress so that the Velazquez bill can be passed.

Tenant Movement Leads to Policy Change

While elected officials craft legislation, ultimately systematic policy change is the result of organized and educated tenant groups who lobby their representatives, making them aware of the realities facing tenants in NYC and nation-wide. These federal and local initiatives around HUD-assisted distressed buildings are exciting steps toward better policy concerning long-term preservation of affordable housing, and indications of a strong tenant movement.

Tenants in distressed HUD-assisted properties have found an ally in NYC’s Department of Housing Preservation and Development

Rising Rents Bring New Misery for Low Income New Yorkers

For most tenants, the economic story over recent years has been rising rents and stagnating wages. A new study by the Community Service Society of New York documents how this translates into tighter budgets and increasing hardships for New York City renters.

It demonstrates that, although the city has experienced an economic recovery since 2002, low-income New Yorkers have benefited very little—in large part because of the housing crisis.

The study, conducted by Victor Bach and Tom Waters, is based on the New York City Housing and Vacancy Survey, conducted by the United States Census Bureau every three years, together with an annual CSS survey, “The Unheard Third.”

The census data shows that from 2002 to 2005, the median rent in New York City rose by 21 percent, while wages rose by only 6 percent. This basic imbalance affects renter households at all income levels, but low income New Yorkers are affected most severely.

The study looked at effects on poor households—those with incomes below the federal poverty threshold—and “near-poor” households—those with incomes below twice the threshold. Not surprisingly, the rent crunch is worst for poor households.

But a more unexpected finding of the study was that the situation is rapidly getting worse for the near-poor households. In an unfortunate sense, they are catching up with the hardship of the poor households.

In 2005, half of all poor households paid at least 55 percent of their incomes as rent. This was actually a slight improvement over 2002, when the figure was 57 percent. But while things were improving slightly for poor people, they were getting worse for near-poor people. In 2005, half of all near-poor households paid at least 40 percent of their income for rent, up from 37 percent in 2002.

Another way to look at the impact of rising rents on low-income tenants is to consider their “residual” incomes—the amount of income left over after paying the rent. For poor families, residual income declined from \$438 per month in 2002 to \$399 in 2005 (after adjusting for inflation). This means they have \$32 per family member per week to cover food and all other basic needs besides housing.

The study also used CSS’s survey data to see how these budget pressures translate into four housing hardships: falling behind in rent payments, having utilities turned off, dou-

bling up with another family, and homelessness.

These hardships have increased in recent years and, like rent burdens, they have increased more rapidly for near-poor families than for poor ones. In 2002 and 2003, 46 percent of poor families experienced at least one of the four hardships. But by 2005 and 2006, this figure rose to 56 percent. During the same period, the proportion of near-poor households facing the hardships rose from 28 to 47 percent.

This shows that the number of people exposed to hardships because of the city’s housing crisis is growing rapidly. As time goes by, it takes a higher and higher income to be safe from hardship.

The growth in the severe hardships—doubling up and homelessness—is even more troubling. In 2002 and 2003, 16 percent of poor families and 7 percent of near-poor families experienced these hardships. By 2005 and 2006, those figures were 22 percent and 15 percent.

This shows that because of rapidly rising rents, New York City’s economic recovery is doing little or nothing to enable low-income families to enjoy basic economic security.

The Community Service Society report can be accessed at: www.cssmu.org/pdfs/MakingTheRent2006.pdf

A NEW YEAR FOR MITCHELL-LAMA TENANTS

By the end of 2006, the Mitchell-Lama community was facing some of the toughest challenges that tenants have encountered amidst this affordable housing crisis. It was the year with the highest number of buy-outs: 16 developments opting out of the program and another 11 fighting pending applications. The trend was spreading more widely throughout the city, with the Bronx and Brooklyn being hit as hard as Manhattan in the last few years. A total of almost 30,000 units have been lost since 1990.

There is no doubt that the real estate industry has identified the removal of affordable housing as a lucrative business. Individual landlords have started to systematically target Mitchell-Lamas for conversion to market-rate or enhanced voucher based housing. The proposed sale of Starrett City for \$1.3 billion and the likelihood of a subsequent buy-out is the latest and probably most illustrative example of a crisis that has gone unchecked for far too long. Without adequate intervention, Mitchell-Lama housing will continue to disappear and tenants will be displaced.

Also devastating to the Mitch-

ell-Lama community was the loss of two of its strongest leaders, Bob Woolis and Jim Garst. For decades, both men dedicated their lives to organizing tenants and advocating for the preservation of the Mitchell-Lama program. Without them, the challenges that lie ahead will seem especially daunting, but thankfully, they leave a legacy of leadership that will surely inspire the tenant movement to forge ahead.

So as we enter the New Year, Mitchell-Lama tenants will continue to grapple with all of these major obstacles, but for the first time, they will have a real opportunity to effect change thanks to the long awaited exit of Pataki and the coming of new leaders like Eliot Spitzer and State Senators Andrea Stewart-Cousins and Craig Johnson.

Anticipating this power shift, Mitchell-Lama tenants began organizing last fall and convened a workshop to develop a comprehensive preservation program. Over 100 tenant leaders and advocates crafted policy proposals that include “protections” for tenants, “incentives” for owners and “enforcement” by supervisory housing agencies, creating

the Mitchell-Lama P.I.E. Campaign. Tenants from every borough have taken the campaign’s message far and wide, calling on the governor to give New Yorkers a piece of the P.I.E.

Although Governor Spitzer and a string of elected officials and agency heads have already pledged to preserve the affordability of Starrett City, nothing has been said of a concrete, long-term preservation plan. While attention to Starrett City is much deserved, our leaders in government have failed to acknowledge the many other Mitchell-Lama developments that are also pillars of diverse, mixed-income housing and in need of the same attention. The other 4000 units currently facing buy-out include Twin Parks, Clinton Towers, Castleton Park, Meadow Manor and Lakeview Apartments, just to name a few of the developments.

Starrett is hardly alone. As a matter of fact, there are other Starrett Cities out there that have been fighting persistently to remain in the Mitchell-Lama program as well, but have been forgotten and neglected. Just a few weeks ago, the state DHCR silently approved the buy-out of its neighbor, Ocean Towers, as it simultaneously assured the public that the tenants of Starrett would remain protected. The Mitchell-Lama community, having experienced over 20 years of buy-outs handled by DHCR, is not convinced.

First and foremost, the P.I.E. Campaign demands that Governor Spitzer and newly appointed DHCR Commissioner, Deborah Van Amerongen, immediately implement a moratorium on buy-outs. DHCR should halt the processing of any more applications until it can thoroughly review and reform its procedures and develop a comprehensive preservation program to respond to the crisis at hand. The P.I.E. Campaign believes that such a preservation program should be nothing short of extending rent stabilization to all Mitchell-Lama and Section 8 opt-outs, barring the application of “unique or peculiar circumstances” to rent increases entering stabilization, and establishing a strong refinancing program for owners and a right of first refusal for tenants at the state-level. These measures would provide the protections, incentives and enforcement necessary for preserving the long-term affordability of Mitchell-Lama housing.

In the year ahead, tenants will be looking to the new administration to bring about substantial change and are prepared to mobilize to ensure that their needs are met. With the stakes so high and the time already limited, tenants will no longer be accepting no for an answer.

Amy Chan, Tenants & Neighbors Mitchell-Lama Organizer can be reached at 212 608-4320 ex. 301

Starrett City on the Auction Block

By Tom Waters

The future of Starrett City, a 5,881-unit Mitchell-Lama complex in East New York, Brooklyn, remains in doubt, even after the federal Department of Housing and Urban Development rejected a \$1.3 billion offer to buy it from an investment group led by David Bistricher.

The offer, at \$221,000 per unit, is far beyond what Starrett City is worth as a Mitchell-Lama development. In fact, experts agree that it would be very difficult or impossible for Bistricher’s Clipper Equities LLC to earn a normal return on its investment even after buying out of the subsidy program.

To make matters worse, Bistricher has owned Vanderveer Estates, a troubled former Mitchell-Lama development in East Flatbush, since 2005. Vanderveer is reported to have 9,000 housing code violations, including 1,800 issued since Bistricher bought it.

As this issue goes to press, it was still unclear whether Starrett’s current owners would accept a lower offer or simply buy out of Mitchell-Lama and its federal subsidy programs in order to sell to Bistricher.

Starrett’s large size and astounding potential sales price have

Continued on page 8

Mitchell-Lama Tenants Rally Around the Corner

By Amy Chan

As fall started, Mitchell-Lama tenants were mobilizing at every corner from East Harlem to Times Square to Coney Island.

Early in October, tenants at Lakeview Apartments in East Harlem rallied with over 100 Mitchell-Lama tenants, advocates and elected officials from all over the city to call on the next governor and his administration to support P.I.E.—“Protections” for tenants, “Incentives” for owners, and “Enforcement” from the supervisory housing agencies. (See “New Yorkers Demand a Piece of the P.I.E.” page 12) They marched from Lakeview Apartments to Schomburg Plaza, united by the need to save not only their own homes but entire neighborhoods from gentrification and high-end development.

Court Plaza Tenants Association President Celeste Zervas declared that there must be “...new policies and legislation, like P.I.E., so that the housing agencies enforce their own rules and regulations, by either not permitting our landlords to leave the Mitchell-Lama program or to provide a real plan for keeping our rents affordable.”

A few weeks after the P.I.E. rally, the Stellar Tenants for Affordable Housing (STAH) coalition learned that their common owner Larry Gluck would be awarded “Developer of the Year” by the

Association of Building Owners of New York. While Gluck and other landlords were patting each other on the back for making millions of dollars from removing affordable housing from affordability, Sharon Valentin of Castleton Park and Dawn Sprauve of Central Park Gardens among many others donned in ball gown attire presented Gluck with an alternative award, “Community Destroyer of the Year.”

Barry Soltz of Janel Towers Tenants Association explained that “Larry Gluck is the poster child for the loss of Mitchell Lama’s today. As far as we know, there is no other landlord that has systematically targeted this precious affordable housing stock to the extent that Gluck has. This rally was the beginning of our campaign to educate the public and the political community. Rest assured Larry Gluck will be hearing more from us!”

In another corner of the city, Ocean Towers Tenants Association President Sheila Boyd gathered Mitchell-Lama tenants from Coney Island to “...bring attention to landlords leaving the Mitchell-Lama program and the future of affordable housing in Coney Island.” Brooklyn Borough President Marty Markowitz, Assembly Member Adele Cohen, Assembly Member-Elect Alec Brook-Krasny, and City Council Member Dominic Recchia also addressed the rally.



Mitchell-Lama tenants demonstrated in Times Square when Larry Gluck, who has destroyed affordable Mitchell-Lama housing was named “Developer of the Year” by the Association of Building Owners of New York

Coney Island is in dire need of a real preservation strategy. Six Mitchell-Lamas have already left the program, including the most recent buy-out of Ocean Towers. Although Boyd is ultimately disappointed with Housing and Community Renewal’s decision (DHCR) to approve the buy-out, she is not discouraged from continuing the fight for the rest of Coney Island. “It was a long and hard fight, but we stood up to our landlord and we went toe to toe.

And for that we are proud...Now, I am going to help [others] organize.”

Indeed, through the course of these rallies, Mitchell-Lama tenants have done an incredible job of bringing the issues to public. Now that the year has just begun and a new democratic administration resides in Albany, it is important that rallies around the corner will persist at every corner until all New Yorkers actually receive a piece of the P.I.E.

Andrea Stewart-Cousins wins State Senate seat with a little help from tenants

By Michael McKee

Tenants were thrilled by the victory of Andrea Stewart-Cousins in the 35th State Senate District in Westchester County, covering all but a corner of the City of Yonkers, the Town of Greenburgh, and Mount Pleasant.

Stewart-Cousins, a member of the Westchester County Legislature for the last decade, ousted the 20-year incumbent Republican, Nicholas Spano. Two years ago she lost to Spano by a mere 18 votes. This time she beat him decisively, by more than 2,000 votes.

Outspent by the incumbent by a massive amount, Stewart-Cousins nevertheless raised a good deal of money. More importantly, she had an army of volunteers. Tenants were a big part of that army. They phone banked, knocked on doors, and attended rallies for Andrea. On Election Day more than 75 tenant activists joined hundreds of other volunteers, passing out palm cards outside polling places, canvassing, phone banking, and otherwise helping with the Get Out the Vote effort.

Hundreds of tenants wrote checks to Friends of Andrea Stewart-Cousins, and/or to Tenants Political Action Committee, which contributed \$8,500, the maximum allowed under state law, to her campaign. Tenants PAC also mailed two pieces of campaign literature to more than 10,000 tenant voter households, explaining why they should not vote for Spano (who gave us lip service but voted with landlords) and why Andrea had earned our support.

My aching back—and feet

The Saturday before the election, two dozen tenant activists fanned out in teams across the southern neighborhoods of Yonkers to distribute Stewart-Cousins literature in more than 100 apartment buildings. Jon Lilienthal, a paralegal at Collins Dobkin and Miller, has a friend who lives in the neighborhood, who reported that tenants were receiving lots of Spano literature in the mail, but nothing from the Stewart-Cousins campaign. So Tenants PAC quickly printed up 5,000 fliers in English and Spanish.

I went out with Jenny Laurie and Kenny Schaeffer from Met Council and Jon Lilienthal. Sure enough, the lobbies of the buildings we stuffed had lots of Spano mailings scattered near the mailboxes, but not a single piece from Andrea even though the campaign had mailed several. After helping stuff 16 buildings on Caryl Avenue—most of them walk-ups—I had to rest on a stoop while my younger colleagues did a half dozen more buildings. We talked to lots of voters.

Jon took another crew out the next day and hit more apartment buildings. This lit drop might have resulted in a couple of hundred extra votes for Andrea, and is a good

illustration of how the campaign was won on the ground.

Also crucial was the effort of New York Democratic Lawyers Committee, which recruited 120 lawyers to monitor the election to make sure the Republicans were not able to succeed in the kind of voter suppression tactics they pulled in 2004. (See sidebar)

This victory further reduced Joe Bruno's already fragile control over the State Senate. And the February 6 election of Democrat Craig Johnson in Nassau County's 7th

Senate District tightened the noose even more (see story on page 12). The Republican-Democrat split is now 33-29.

Democrats are now a mere two votes away from taking control of the Senate. And tenants are that close to being able to pass stronger rent protection laws after 40 years of a Republican stonewall.

Tenants were a big part of Andrea Stewart Cousins' army of volunteers.



Senator Andrea Stewart-Cousins

Michael McKee is treasurer of Tenants Political Action Committee. He can be reached at (212) 577-7001 or mmckee@tenantspac.org.

Westchester Republicans Stymied in Voter Suppression Tactics

Jamie Fishman, a well-known tenant lawyer in New York City, lives in Cortlandt Manor in northern Westchester County. He volunteered to monitor local polling sites to prevent the kinds of voter suppression tactics Republicans had employed in the 2004 election. Farther south, there were a few attempts at voter intimidation in heavily African-American and Latino neighborhoods in Yonkers. But overall, the election in the 35th Senate District was fairly quiet this time: the presence of so many Democratic election observers discouraged the scoundrels. The following is Jamie's eyewitness report of voter intimidation attempts in his area, where there was a hot race for Congress, won by Democrat Jon Hall who beat incumbent Sue Kelly.

On Election Day I was assigned to three polling places, with a total of nine Election Districts. At about 7:00 am a Republican poll watcher named Dan Sadofsky appeared at one polling place and announced to each of the ED tables that he intended to challenge as many voters as possible. I asked him to explain his basis for challenge. He replied that it was well known that Democrats were sending in busloads of people from the Bronx to vote here illegally. I asked him how he could tell if someone wasn't eligible to vote and he replied, "You can tell by how they look that they don't belong here." I let him know that I would be around all day and I would be watching closely.

Mr. Sadofsky didn't show up at any of the other two polling places I was covering, although I warned the election inspectors of his threat. An inspector told me that Sadofsky shows up every year, intimidating everyone and pushing them around, but that this was the first year that the Democrats had sent a poll watcher, "and a lawyer at that."

The day was quiet until 6:30 pm when a lot of commuters came in to vote after work. Then Mr. Sadofsky showed up and began making a lot of intimidating noises. One of the EDs had about 15 people on line waiting to vote. Sadofsky went up to the man at the head of the line and announced that he was challenging him because his signature didn't match the signature in the book. The voter explained he had signed the book 35 years ago, that his signature had changed over the years, and produced a photo ID with his signature and date of birth.

Sadofsky insisted that, because of his challenge, the voter could vote only by affidavit ballot. The election inspector was prepared to give him the paper ballot when I explained that state Election Law required that she administer an oath to the voter and allow him to vote on the machine. (Paper ballots are subject to challenge, machine votes—once cast—are not.) I showed her the provision in the election law manual we had been given by the New York Democratic Lawyers Committee.

Sadofsky became irate, loudly proclaiming that he wasn't going to believe anything in "that Democrat book." When I showed the inspector the page with the actual Election Law section, she relented. The three other inspectors agreed the voter had established who he was, and he was allowed to vote on the machine. The entire process took about ten minutes, during which time nobody else on line could vote, which seemed to be Sadofsky's strategy all along.

Sadofsky accused me of being "some hot-shot lawyer" from "somewhere else." I told him that I had lived in Cortlandt Manor for 16 years. He then made some heated phone calls on his cell phone and at about 7:30 he left, without making any further challenges.

I truly believe the Republicans were not prepared for Democratic poll watchers, let alone lawyers, and that we made a big difference. I'm proud to have done my part.

—James B. Fishman
Fishman & Neil, LLP



OBITUARIES

Jim Garst 1926-2006

Jim Garst, an important advocate for Mitchell-Lama and other affordable housing programs and a crucial resource for those of us who try to understand the ins and outs of subsidized housing, died December 8 after a brief struggle with cancer. He was 80.

A founder and board mem-

ber of Tenants & Neighbors and a long-time board member of the Mitchell-Lama Council, Mr. Garst was for many years the Albany lobbyist for both organizations. In that capacity he worked on bills dealing with housing finance, rent regulation, Mitchell-Lama, neighborhood preservation, and tenants' rights.



Jim Garst with his wife Rina (right) and Anne Osmer (left) at a Tenants & Neighbors meeting in 1999

James D. Garst was born May 31, 1926 in Des Moines, Iowa. He grew up in Des Moines and Cedar Rapids, Iowa, and southern California. From 1944 to 1946 he served in the U.S. merchant marine. He earned his BA degree in Political Science from University of California at Los Angeles in 1950.

Jim came to New York City in 1950 to attend Columbia Graduate School of Journalism. After graduation, he was a reporter at Wall Street Journal from 1951 to 1953. From 1953 to 1959 he was a research assistant and then research director at District Council 37, representing employees of the City of New York.

From 1959 to 1964 he lived in London where he was managing editor of Trade Union Affairs, a quarterly journal about trade union issues with trans-Atlantic circulation. He was also an instructor at the Chelsea College of Science and Technology, London.

Returning to New York City in

1964, he was again employed at District Council 37 and then the American Nurse's Association, where he conducted economic and labor research and analysis.

In the mid 1950s he and his wife Rina lived in Lincoln Square on the west side of Manhattan, where they were active in the fight to prevent the demolition of 3,000 apartments to make way for Lincoln Center and Fordham University. The lot where their apartment building stood became a tennis court for Fordham.

In 1967 the Garsts moved into the newly-constructed Columbus Park, a limited equity coop on the upper west side created under the Mitchell-Lama program. Jim became active in the Mitchell-Lama Council in 1969, and was a prominent board member of the Council from then until his death. The Council represents Mitchell-Lama coops.

Jim Garst was one of the most knowledgeable persons in the state about Mitchell-Lama and other

government-assisted housing programs. He was a staunch defender of the Mitchell-Lama program.

In 1987 a majority of cooperators at Columbus Park voted to buy out of Mitchell-Lama, a move that was prevented by a restriction in the land disposition agreement that required the building remain affordable for 40 years. The Garsts were leaders of the opposition to the buyout. Columbus Park is once again in buyout mode, the restriction having now expired. As before, the Garsts have been among the minority opposed to leaving Mitchell-Lama.

Jim Garst was also expert in utility industry regulation and deregulation issues. In the 1970s he was active in POWER, People Outraged With Energy Rates, a coalition that promoted public ownership of Con Edison. He was also active in the Coordinating Council of Cooperatives.

He is survived by his wife Rina. *Michael McKee*

ROBERT WOOLIS May 1924 – December 2006

Bob Woolis passed away in his sleep at home on December 15, 2006 after a short illness.

Bob was a long time resident of the Upper West Side via the Bronx. He was one of the original tenants at Columbus House, a pre-74 Mitchell-Lama development. He was an active resident serving on and off for many years on Columbus House's tenants association, often as its President.

In 1972 Bob co-founded the Mitchell-Lama Residents Coalition (MLRC) with Congressman Charles Rangel. MLRC became the foremost advocate for affordable housing throughout the state.

As co-chair of the MLRC, Bob was a prolific writer and speaker, and oftentimes wrote articles for the MLRC newsletter covering topics as diverse as the link between milk prices and rent to his position on pending legislation and certain politicians. As an experienced economist, Bob reviewed and often defeated doz-

ens of rent increase requests. At times, his sharp analysis resulted in rent decreases for the grateful residents. One of his most successful challenges was Bedford Gardens, a 647 HPD/HUD supervised rental in Brooklyn. With Bob's leadership and tenacity the tenants association was able to get the HUD Inspector General to investigate the rent increase and operations of the landlord after both HPD and HUD had granted the increase. Needless to say, there was no rent increase and the owner was forced to relinquish control of the development and required to remain in the Mitchell-Lama program for a long time in lieu of prison time. There are thousands of Mitchell-Lama residents who have benefited from his commitment to affordable housing and his dedication to social justice.

His close work with politicians meant that Bob frequently picked up the phone to propose or com-

ment on legislation and to help struggling tenant groups make important connections. Bob was often interviewed by news reporters and quoted as an expert on the Mitchell-Lama program. One quote from the *New York Times*, February 23, 1986 is an example of Bob's passion: "The landlords are saying 'We built these buildings because in 20 years, we thought we would be able to take them over,' But at best, the law doesn't set up a contract. Instead it is unwritten, is more sacred. The Mitchell-Lama law was a promise to the people—that they could have affordable housing. That to me, because it is unwritten, is more sacred."

Housing was only one of Bob's many interests. Beginning his working career as a merchant seaman, he traveled the world, and served in the Navy Air Corps during World War II. He was a union organizer in Arkansas and Tennessee. He went to college, with the help of the GI bill. Years later, he went back to the New School for his PhD in political science, and then went on to teach economics and statistics at



Bob with Council Member Gail Brewer and Tenants & Neighbors Board President Tom Waters

Brooklyn College for a decade. He worked in the peace movement and even was a controller for EJ Korvettes!

His passion for jazz led him to have his own jazz and folk shows on WKRC and WBAI; where he interviewed scores of musicians and their publishers. He authored a book on traditional jazz and blues and produced jazz recordings. His love and passion for Paul Robeson was undeniable: both for the man's music

and his politics. Bob had wanted for the longest time to have one of the Central Park Transverses named after Paul Robeson.

Bob was born May 13, 1924 in New York City. He will be missed by his many friends, appreciative tenants, and colleagues at the Mitchell Lama Residents Coalition.

Lee Chong with assistance from Sue Susman, Executive board members, Mitchell-Lama Residents Coalition

Starrett City *Continued from page 6*

drawn new attention to the issue of Mitchell-Lama buyouts—a problem that goes far beyond Starrett City. In the past six years, more than 17,500 apartments have been removed from the Mitchell-Lama program—more than Stuyvesant Town-Peter Cooper Village and Starrett City put together.

It is to be hoped that HUD and other government agencies will not only protect affordability at Star-

rett City, but that it will do so in a way that sets a precedent for future Mitchell-Lama threats as well.

Marie Purnell the President of the Starrett City Tenant Association told Tenants & Neighbors "It came to us as a total shock that we were going to be sold for \$1.3 billion. Since then, we have approached everyone to give us a helping hand. We found it vital to get involved in the preservation of Mitchell-Lama

housing. We will continue to fight the fight until we win."

The Mitchell-Lama community throughout New York City needs a comprehensive response to the Mitchell-Lama crisis, including protections for tenants, incentives to keep buildings in the Mitchell-Lama program, and enforcement of strict standards for owners when they manage their buildings and when they try to buy out of Mitchell-Lama or sell their buildings.

Tenants, advocates, and vari-

ous elected and appointed officials are working to preserve Starrett City as a well-maintained, affordable community. The community group Acorn organized a large rally and other events to draw attention to the issue. Tenants & Neighbors has provided organizing support to the Starrett City Tenant Association, which has long been an active member of Tenants & Neighbors.

City Council Member Charles Barron, Senator Chuck Schumer, New York Attorney General

Andrew Cuomo, New York City Housing Commissioner Shaun Donovan, and U.S. Reps. Ed Towns and Anthony Weiner have all denounced the proposed sale and promised to use the power of their offices to help block it.

The New York Times and *Daily News* both ran editorials calling for the sale to be blocked, and the *Times* called for apartments in former Mitchell-Lama buildings to be placed under rent stabilization.

OBITUARIES

Gail Podrazik 1947-2006

Gail F. Podrazik, upstate organizer for Tenants & Neighbors, died October 6 at her home in Schenectady after a long illness. She was 59.

In the late 1970s and early 1980s, Gail was employed by the Peoples Housing Network. In addition to training organizers throughout the state, PHN provided staff support to Tenants & Neighbors, at that time a sparsely-funded, unstaffed coalition.

PHN assigned Gail to Peoples Advisory Service of Schenectady, where she worked as a neighborhood organizer, helping block associations pressure the City to crack down on absentee landlords who were not maintaining their buildings. She helped organize the Vale Neighborhood Association and Central State Street Neighborhood Association.

Gail was the organizer for the Schenectady arm of the Tenants & Neighbors campaign to enact a state law to bar evictions of tenants who file complaints with government agencies or participate in tenant associations. The bill, now Section 223-b of the Real Property Law, was enacted in 1979.

She and six other PHN organizers were laid off in 1981 after the incoming administration of President Ronald Reagan cut off federal funding to PHN and similar groups throughout the country.

In the 1980s and into the 1990s Gail was the leader and spark plug of an anti-drug organization called Clean Sweep in her neighborhood, Hamilton Hill, which had been taken over by drug dealers at the height of the crack cocaine epidemic. At one point local drug kingpins put a price on her head, offering \$100,000 to anyone who would kill her. Gail refused to back down. She organized her neighbors to sweep their porches at night to let the drug dealers know that they were being watched.

In 2000 Gail applied for the job of upstate organizer for Tenants & Neighbors and was hired virtually immediately. Even though we had lost touch with Gail, she had done exceptional work for PHN and it was clear that she had not lost her talent. It is no exaggeration to say that Gail was one of the best community organizers I have ever known.

In her new position Gail worked with dozens of tenant associations, from the Canadian border to the Catskills to the western tier of the state. A botched spinal operation in 2003 that resulted



Gail Podrazik in 1978, with a delegation of tenants at a Schenectady Common Council meeting demanding support for state legislation to protect tenants from retaliatory eviction.

in chronic back and leg pain made it increasingly hard—and eventually impossible—for her to drive her car to meetings, or even to the upstate Tenants & Neighbors office a few miles away in Albany.

Not willing to give up helping tenants because of her declining health, she began to organize by telephone. Astonishing, perhaps, but not for those who knew Gail. I remember her telling a new organizer in 2001, “You won’t be happy doing this work unless you have lots of plates up in the air trying to juggle them.”

Survivors include three daughters, Sonny St. Onge, Paula Richards and Jackie Richards, all of Schenectady; three sons, Norman Podrazik, Sean Richards and Brice Richards, all of Schenectady; two sisters, Jill and Patty; ten grandchildren and one great-grandchild.

Michael McKee

Editor’s note: Michael McKee was co-director of Peoples Housing Network from 1977 to 1982.

Are Investors Betting on an End to Rent Regulation?

By Tom Waters

Have real estate investors lost their minds? Or are they on to something—like an end to rent regulation in the not too distant future?

Over the past few years, the rental housing business in New York City has been going through a great transformation, driven by ever-rising rents and vacancy decontrol.

Professionally managed investment groups have been buying up rent-regulated apartment buildings at unheard-of prices, and they have been doing it in every neighborhood.

The best known of these groups is Pinnacle, which has bought thousands of apartments in Harlem, the Bronx, and elsewhere and made headlines with its aggressive strategy of bringing tenants to housing court, often based on information that turns out to be false. Pinnacle also bought a portfolio of buildings from notorious slumlord Baruch Singer, and still involves Singer in the management of at least some of the buildings.

But the trend goes far beyond these high-profile examples. According to a recent article in the *New York Times*, buyers like Apollo Real Estate Advisors and Black Rock Realty are snatching up rent-stabilized buildings all over the city. They are not focusing on the traditional high-rent areas of Manhattan or even on gentrifying areas like brownstone Brooklyn. Instead they are paying high prices for buildings in unglamorous working-class areas of upper Manhattan, the Bronx, and Queens.

In the examples cited by the *Times*, buyers were paying about \$100,000 per apartment for large complexes or portfolios of build-

ings, where most apartments are currently renting for \$800 a month, but new tenants are paying \$1,500 a month.

That huge jump in rent could be perfectly legal, even for regulated apartments, if the landlords are putting \$20,000 or so of renovation work into each apartment during the vacancy. (Landlords are entitled to an increase of about 20 percent after each vacancy, plus an increase in the monthly rent of 2.5 percent of renovation costs.)

But even at \$1,500, these buildings would not yield enough profit on the \$100,000 investment to satisfy a traditional real estate investor. Depending how much of the purchase price is borrowed, these investments will barely break even after mortgage payments.

Why would investors lay out so much money only to break even? The answer can only be that they expect rents to greatly increase over time, leading to huge profits somewhere down the road.

The new corporate buyers are often described as “patient money” because they are willing to wait years before their investments turn profitable. Rumor has it that Tishman Speyer, the new owner of Stuyvesant Town and Peter Cooper Village, actually expects to lose money for a few years on the operation of that complex.

But the longer these investors wait for their profits, the bigger the profits they’ll expect to make. And if a \$1,500 a month apartment in the South Bronx is not profitable in the short run, how high does the rent have to go five or ten years from now to make the investor happy?

The answer can’t be good news for tenants. It may even be that these investors are betting on an end to rent regulation as we know it.

DRIE and SCRIE Programs—2007 Income Guidelines

The new **Disability Rent Increase Exemption (DRIE)** program freezes the rent of income-eligible tenants with disabilities in rent-regulated, Mitchell-Lama and some other types of housing in New York City and a few suburban municipalities that have opted into the program. The **Senior Citizen Rent Increase Exemption (SCRIE)** program does the same for income-eligible senior citizens.

To be eligible for DRIE

you must meet the following requirements:

- 1 Be receiving SSDI, SSI, Veteran’s benefits, or Medicaid buy-in benefits.
- 2 Have an annual income no greater than \$18,060 for individuals or \$25,932 for couples. (But SSI recipients qualify without income testing.)
- 3 Live in rent-controlled, rent-stabilized, Mitchell-Lama or DAMP housing, or co-op units where the mortgage is or once was federally insured under Section 213 of the National Housing Act.
- 4 Your rent exceeds 1/3 of your income, or a pending increase would cause you to pay 1/3.

To be eligible for SCRIE

you must meet the following requirements:

- 1 You must be 62 or older.
- 2 You must be the head of the household.
- 3 Live in rent-regulated apartment or stabilized hotel unit, or Mitchell-Lama.
- 4 Have a household income no greater than \$26,000 per year (goes up to \$27,000 in July).
- 5 Your rent exceeds 1/3 of your income, or a pending increase would cause you to pay 1/3.

COALITION PARTICIPANTS

These are the organizations that are participating in the new statewide campaign to reform the rent laws. The list is still in formation.

ACORN	Forrest Hills Community House	New Settlement Apartments/CASA
Asian Americans for Equality	Goddard Riverside Community Center	NYC AIDS Housing Network
American Association of Jews from the Former USSR (NY Chapter)	Greater New York Labor Religion Coalition	New York State Tenants and Neighbors Coalition
Association of Legal Aid Attorneys (UAW 2325)	Housing Conservation Coordinators	Northwest Bronx Community and Clergy Coalition
Beulah HDPC Inc.	Jews for Racial and Economic Justice	Queens Congregations United for Action
Bronx Tenants Association Coalition (BTAC)	Joint Public Affairs Committee for Older Adults (JPAC)	Stuyvesant Town / Peter Cooper Village Tenant Association
Churches United	Knickerbocker Plaza Tenant Association	Tenants PAC
Coalition for the Homeless	Los Sures	UHAB
Community Service Society	Make the Road By Walking	United Neighborhood Houses of New York
CWA District 1	Met Council on Housing	West Side SRO Law Project
CWA Local 1180		Working Families Party
Cypress Hills LDC		
Flatbush Development Corp.		

Tenants & Neighbors Pays Tribute to Michael McKee

On Thursday October 12th more than 150 people came to Local 1199's Chersky/Davis Conference Center to honor Michael McKee, Tenants & Neighbors' long time Associate Director following his recent retirement. Our special guest for the evening, Christine Quinn the Speaker of the New York City Council, presented Michael with an orchid to recognize his extraordinary record of achievement. Congressman Charles Rangel made a special appearance when he learned that Michael was being honored.



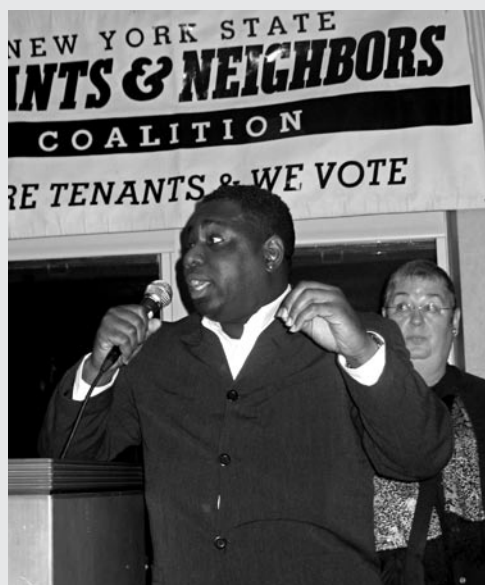
Christine Quinn, the Speaker of the New York City Council, was our special guest for the evening. Assembly Member Richard Gottfried also attended.



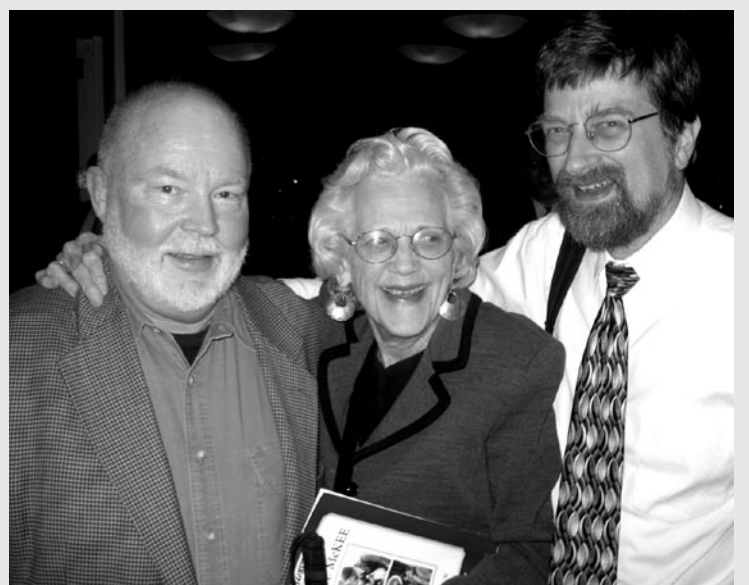
Congressman Charles Rangel spoke of the critical importance of Michael's work for affordable housing. In the background l to r Lois Hoffmann and Francine Brenner of the Park West Village Tenants Association, Tenants & Neighbors Board President Tom Waters and Christine Quinn.



Top: Christine Quinn presented Michael with an orchid as he was greeted by Charles Rangel; Bottom: Michael with Congressman Charles Rangel and Tenants & Neighbors Labor Coordinator Judy West.



Tenants & Neighbors Board Member Anderson Fils-Aime recalled Michael's extraordinary devotion and energy. Edrie Cote, president of the London Terrace Tenant Association, is in the background.



Michael with Grannies for Peace member Marie Runyon and his husband Eric Stenshoel.

All photos: Nora Wertz

Spitzer: What Next? *Continued from page 1*

two days after taking office to act. On Day Two, tenants received the first good news from a governor of New York State in 12 years: the regulatory amendments would not be published the next day. Later in the month, DHCR officially withdrew them.

Certainly Governor Spitzer deserves our thanks for this action. It should give tenants hope that these are just the first in a series of pro-tenant reforms that New York desperately needs.

New Appointments

Spitzer has begun restructuring the leadership at the state housing agencies. He named Deborah Van Amerongen, formerly the regional Director of Multifamily Housing for the Department of Housing and Urban Development, to be the new DHCR commissioner. Prior to joining HUD in 1998, she worked for the New York State Assembly where she was senior analyst for the Housing Committee under Assembly member Vito Lopez.

Complying with the new governor's wishes, Pataki's appointee Joseph Strasburg stepped down as

head of the State of New York Mortgage Agency which provides below market rate mortgage loans to homebuyers and mortgage insurance for development projects. Strasburg is president of the Rent Stabilization Association, a landlord lobby group, and has led the effort to eliminate our rent laws.

In his place, Spitzer has appointed Priscilla Almodovar, who served as the top housing policy expert for the Spitzer-Paterson campaign. She will also lead the NYS Housing Finance Agency, which finances housing development projects.

Almodovar will reportedly function as Spitzer's housing czar, with all other housing officials reporting to her. It seems clear that she will be a key player in the coming battles over the rent and eviction protection laws that tenants are gearing up for.

Time for a Democratic State Senate

Despite threats from Republican Senate Majority Leader Joe Bruno, Spitzer played an unprecedented role in the November legislative elections. He worked hard to reelect Democrat David Valesky

of Syracuse to the State Senate. Valesky was targeted by the Senate Republicans, who spent a considerable amount of money to try to defeat him. Spitzer helped raise funds to counter the Republicans and made several appearances with Valesky.

Spitzer also helped the Democrats gain a seat in the State Senate by fundraising and aggressively campaigning for Westchester Democrat, and tenant ally, Andrea Stewart-Cousins (see page 7).

Since taking office, Governor Spitzer has continued to mix things up in the State Senate, making it likely that Joe Bruno will become Minority Leader sooner rather than later. By appointing Republican State Senator Michael Balboni to be his homeland security czar, Spitzer created a vacancy in Nassau County in a district likely to elect a Democrat. Spitzer then enthusiastically campaigned for the Democrat, who won the seat in a special election on February 6 (see page 12).

Spitzer ignored Joe Bruno's threats and now the State Senate is a mere two seats away from Democratic control. The governor has reportedly stated that he intends to complete this transfor-

mation by June. His willingness to challenge Republican control of a house of the State Legislature makes Spitzer markedly different than former Democratic governors.

But what does Spitzer really think about rent regulation?

Although these actions should make tenants hopeful, it remains to be seen what Spitzer will do about policy issues affecting rent regulation. Throughout the campaign, he ignored the issue for the most part and in the few instances when his campaign took a stand on rent regulation, it was not in our favor.

In late August, during a scripted roundtable event with tenants in the Bronx, Spitzer stated that he thinks it is time to take a look at the rent threshold for vacancy decontrol, which is currently \$2,000 per month. He suggested raising it to a higher, unspecified amount and then indexing it for inflation, rather than repealing vacancy decontrol outright. This would be a symbolic step in the right direction, but would only be a cosmetic change, as landlords would simply spend more on renovations to bring the legal rent up to the

higher threshold. New York City and the suburban counties have already lost at least 300,000 units to vacancy decontrol and anything short of repeal will not do.

Shortly after the roundtable event, Spitzer told the *Daily News* editorial board that he does not intend to deal with changes to the rent laws until 2011, when they will come up for renewal in the State Legislature. By 2011 we will have lost over half of all rent regulated apartments and it will be too late to save the program. Then, in early October, a representative from the Spitzer-Paterson campaign told *The New York Times* that Spitzer opposes repeal of the Urstadt Law, which would restore local control over the rent laws to New York City.

So clearly tenants have their work cut out for them, and so does Spitzer. The new Governor has a very ambitious agenda of reforming Albany. His work to reshape the State Senate has proven that he realizes he needs a weakened Joe Bruno and a Democratic majority to achieve his reform goals. Progressive citizens and tenants alike can only wish Spitzer luck with his agenda because if he achieves this goal, it can only mean results for tenants down the line.

By **Natasha Winegar**

Rent-regulated tenant Samantha Fountain is an active member of Tenants & Neighbors and an important leader in both her building and the Village of Hempstead in Nassau County.

Samantha became involved in the tenant movement in 2000 when she first began working with the tenant association in her apartment complex at 590-600 Fulton Avenue in Hempstead. The residents in the 336-unit, two building complex were working to improve the conditions in their buildings.

Samantha and the tenant association began working with Julie Shields, then the T&N Nassau County organizer, to begin educating people on their rights under rent regulation. The tenants at 590-600 Fulton Ave. quickly became involved in county and statewide campaigns to preserve rent regulation together with T&N and other tenant leaders in the community.

Since she became involved in her

tenant association, Samantha has held many positions on the board including president, treasurer and secretary—a position which she currently holds. Samantha says, “We are a group. ‘United We Stand and Divided We Fall’ is our logo. If the landlord fails to stand by the ETPA [rent] laws then we will hold him accountable for what is just and what is not. We expect him to get the job done.”

In 2004, Samantha began working as the Research Assistant for the Board of Trustees for the Village of Hempstead. Her job requires her to research housing issues and work directly with tenants in Hempstead. She explains, “there are 130 ETPA buildings in Hempstead and I go out on a weekly basis to make tenants aware of their rights. I try to collaborate with owners so that they will have fair practices with tenants.”

Samantha works in collaboration with the state housing agency, other municipal agencies and tenants to ensure that the residents

are receiving all the building services they are entitled to. If necessary, she helps tenants apply for rent reductions, either individual or building-wide. When there are code violations in buildings, she can send an inspector out to write up a violation.

As part of her job, she attends village board meetings to answer questions on housing issues. When there are meetings of the Nassau County Rent Guidelines Board, or other tenant-related meetings in the village, Samantha works with other tenant leaders in the community to make sure that people know about it. She states that “it is about what is right for the residents of the Village of Hempstead.”

Tenants in Nassau County had a recent victory with the Nassau RGB. In October, a judge invalidated the rent guidelines adopted by the board in September 2005, ruling that they were adopted unlawfully. Because the tenants have been paying these “invalidated” increases, they have filed a class action lawsuit demanding rent rollbacks (see story on page 1).

Tenant leaders all over the county helped make this victory possible. Samantha says, “I hope



Samantha Fountain speaking outside Nassau Supreme Court at a news conference to announce filing of class action lawsuit against Nassau County landlords.

Supreme Court Throws Out Nassau Rent Hikes

Continued from page 1

year terms because they could not afford the two-year rent increase.

Guideline 40 also included an additional 10 percent vacancy allowance on top of the 20 percent (or more) statutory vacancy bonus allowed by state law.

On January 30, Ellen Perry, a rent-stabilized tenant in Long Beach, filed a class action lawsuit in Nassau Supreme Court on behalf of herself and all other tenants who are still paying rent increases under Guideline 40, asking Justice Feinman to order landlords to stop collecting rent increases under that invalidated order.

The tenants are represented by attorneys and legal interns at the Housing Rights Clinic at Hofstra University School of Law in Hempstead. Reza Rezvani is the supervising attorney.

The defendant landlords in the case are Rush Properties, Executive Towers at Lido, and Paulsen Real Estate Corp., as class representatives of all landlords who are collecting increased rents under Guideline 40. If we win, it could result in rollbacks and refunds to more than 10,000 Nassau County households, including new tenants who paid the extra vacancy allowance.

A phony low-income guideline

The invalidated guidelines were adopted on September 21, 2005. For so-called low income households, those with annual incomes of less than \$24,000, the renewal guidelines were 1 and 2 percent for one- and two-year lease renew-

als. For “all other households,” the rent increases were 5.25 and 7.25 percent.

To obtain the low-income guideline, the tenant was required to prove to the landlord that the household income was below the threshold, meaning the tenant would have to give the landlord a copy of her income tax return or other proof of income.

In practice, virtually no landlords offered the low-income option when they sent lease renewal offers to their tenants. Most offered only the 5.25 and 7.25 rates. As there is virtually no enforcement in the weak rent stabilization system, landlords knew they could do this without fear of punishment. Most tenants who might be eligible had no knowledge of the option. But many who were aware of it did not ask their landlords for the lower rent hike because they did not want to hand over private income documents. Chris Ducie, Nassau County rent administrator for DHCR’s Office of Rent Administration, told the RGB members at a public hearing last May that he believed that fewer than one hundred tenants had renewed at the lower rate.

Justice Feinman ruled that the RGB has no authority to adopt different guidelines based on the incomes of tenants. The ETPA authorizes the suburban RGBs to vary rent adjustments by geographic zones or jurisdictions within the county, but not by characteristics of tenants—in this case, different income levels.

A slam-dunk ruling

Building on the May 2005 ruling of the 2d Department of the Appellate Division of NYS Supreme Court in an earlier lawsuit, In the Matter of NYS Tenants & Neighbors Coalition, Inc. v. NYS Division of Housing and Community Renewal, Justice Feinman ruled that the failure of the RGB to file findings on all the factors enumerated in the ETPA was fatal, “...and therefore, Guideline 40 is invalid.”

Feinman also sided with Tenants & Neighbors in finding that the RGB had held an illegal closed-door “executive session” at the September 21, 2005 meeting, denying more than 100 tenants and about 6 landlords who were present their right to listen to and observe the board as the members discussed the low-income guideline. The state Open Meetings Law prohibits discussions of policy matters in closed session.

The RGB has voted narrowly to appeal, but it is hard to see how they can prevail when the language of Feinman’s decision is so strong. Presumably at some point the RGB will have to reconvene and vote on new guidelines for 2005-2006.

And there is yet another lawsuit: Nassau landlords sued the RGB last fall, challenging the current guidelines adopted last June: 0.5 and 1.0 percent for the Village of Hempstead, and 2.25 and 4.25 percent for the rest of the county. Tenants & Neighbors has intervened in this case, this time on the side of the RGB.

New appointments pending

While things play out in court, the composition of the Nassau RGB seems on the cusp of major

we get the rent rollback and win.”

For years, she and other leaders have organized tenants to testify before the board and brought photos of buildings in poor conditions. Samantha has even brought in code violation notices to show the board.

She says, “The public members on the board need to be fair minded. They are biased and all of them are not in favor of tenants. It shouldn’t be all about the landlords and their heavy pockets. The tenants deserve to live in good conditions too. It is a pure disgrace to see how some people are living in these apartments. Landlords like that should be penalized.”

It is the hard work of organizing, educating and doing outreach to tenants, elected officials and advocates that have made the Nassau tenants successful. Samantha explains she and other tenant leaders need to work together to “organize tenants to get together and come out. We all seem to be working together well.”

She says, “I love to help people, it is in me. I have been volunteering my time and when I see that tenants are getting what they deserve, I am happy at the end of my day. I volunteer my time and now I have better access because of my job to help people. I sleep it, I live it. I love what I do.”

The Tenants & Neighbors TV Show Broadcasts in Brooklyn

A live call-in show featuring Tenants & Neighbors co-founder Michael McKee and the city’s best tenant attorneys
Get your questions answered

Watch Tenants & Neighbors every Thursday from 6 to 7 pm on Manhattan, Bronx and now Brooklyn cable television.

Manhattan: Channel 34 for Time-Warner with converter, 78 for Time-Warner without converter, 107 for RCN with converter, or 110 for RCN without converter. **Bronx:** Channel 67. **Brooklyn:** Channel 56 for Time-Warner or Channel 69 for Cablevision.

change. The Nassau County Legislature has sent three candidates to DHCR, one of them almost two years ago. But the administration of Governor George Pataki refused to act on these appointments.

Under an absurd provision of the ETPA, the enforcement agency itself (DHCR) makes all appointments to the suburban RGBs. The agency can appoint only persons who are recommended by the County Legislature. But there is nothing in the law to compel DHCR to act on appointments.

Two pro-landlord public members, John Mastromarino and Jack Mevorach, are holdovers, still sitting on the RGB long after their terms expired, even though the Legislature sent DHCR their replacements, Rev. Mark Lukens and Professor Martin Melkonian, in March 2005 and March 2006, respectively. This was a pocket veto by Pataki on his way out the door.

DHCR refused even to appoint a tenant member, Cathryn Harris, to fill a vacancy. Presumably the new Spitzer administration will act on these appointments soon.

In addition, the term of Catherine Kirk, a landlord lawyer who has served as chair of the RGB for the last four years, expired December 31. The wretched Kirk, who lacks the skills needed to chair an orderly

meeting and who ostentatiously engages in side conversations with Mastromarino and Mevorach when she should be listening to testimony, has been openly vicious in her treatment of tenants. It is devoutly to be hoped that the County Legislature will find a more balanced public member to replace her.

There was a recent move in the County Legislature to re-nominate Mevorach to replace Kirk. But at a Rules Committee meeting on January 8, the nomination was pulled because of continued opposition from Democratic county legislator Lisanne Altmann, without whose vote the nomination could not get out of committee. This is the second time legislators have attempted to resurrect Mevorach, and the second time that Altmann and tenants shot it down.

The two successful lawsuits by Tenants & Neighbors against the Nassau RGB and DHCR represent a chance to shake up the entire Rent Guidelines Board system. It is high time that state and local legislators recognize that this unfair, pro-landlord scheme—designed by the real estate industry itself, when landlord lawyers working with the administration of former New York City Mayor John Lindsay drafted the original NYC Rent Stabilization Law—needs fundamental reform.

CHANGE SERVICE REQUESTED

Pro-tenant Democrat wins State Senate seat

A special election in Nassau County has resulted in the election of a pro-tenant Democrat to the State Senate, and a further reduction in the already slim Republican margin of control in that house.

Nassau County Legislator Craig Johnson of Port Washington defeated Republican Maureen O’Connell in the February 6 election. In an unusually high turnout for a special election, especially considering the frigid weather, Johnson won 26,352 votes to 22,911 for O’Connell, currently the Nassau County Clerk.

The entire campaign took place in an intense five weeks, with voters complaining of being bombarded with campaign mailings and phone calls. Dozens of tenants door knocked and phone banked for Johnson, and the Tenants Political Action Committee contributed \$5,000 to his campaign.

Governor Eliot Spitzer called the special election to fill a vacancy created when he appointed Republican Senator Michael Balboni as his homeland security chief. Republicans accused Spitzer of a partisan maneuver, which the governor of course denied. But Spitzer campaigned forcefully for Johnson.

In his six years on the County Legislature Johnson has been consistently pro-tenant. In her six-plus years in the State Assembly, O’Connell had a clear anti-tenant



Craig Johnson, a pro-tenant Democrat, was elected to the State Senate in a special election. This victory imperils Republican control of the Senate.

voting record. She also received a huge amount of landlord campaign contributions for the special election.

The split in the Senate is now 33 Republicans to 29 Democrats. Three years ago it was 38 to 24. Three years ago the Democrats picked up three seats, two of them with the help of tenants. Then in November the election of Andrea Stewart-Cousins made the split 34 to 28 (see story on page 7).

Two more seats will mark the end of Republican rule. Once the Democrats take control, tenants should be able to get pro-tenant legislation through both houses and enacted into law. Spitzer has committed himself to helping the Democrats become the majority in the Senate (see story on page 1).

New Yorkers Demand a Piece of the P.I.E.

By Amy Chan

Last May the Community Service Society and NYC Comptroller William Thompson’s Office published two reports that confirmed what tenants long suspected—Mitchell-Lama housing has been disappearing at rates so sharp over the past decade that it has become the single greatest source of loss of the city’s subsidized housing stock. Both reports call for serious policy changes to respond to the crisis.

Motivated by these alarming reports, a small group of concerned Mitchell-Lama tenants and advocates came together last fall to think about possible policy solutions. It soon became apparent that change needed to happen at all levels of government. The group then organized a larger convention with other Mitchell-Lama tenant leaders to develop a comprehensive platform.

Rita Popper, President of Knickerbocker Plaza Tenants Association, felt that with a new state administration, the timing was right. “Currently, the word ‘preservation’ is used as a front for legislators and governing agencies to appear to care about the housing crisis. Legislation has been bandied about for years but never acted upon. The Mayor isn’t really putting pressure on Albany to mandate the passage of rent stabilization. The tenants have become a ping-pong ball between the owners and the Republican held

State Senate. We look to Governor Spitzer to get affordable housing issues back on track.”

At the “Save Mitchell-Lama Workshop,” over 100 participants generated policy proposals that were grouped under the categories of “Protections” for tenants, “Incentives” for owners, and “Enforcement” from the supervisory housing agencies—creating the beginning of the P.I.E. Campaign.

Examples include legislative as well as administrative changes: extending rent stabilization to all Mitchell-Lamas, ending rent increases based on “unique or peculiar” circumstances, requiring supervisory housing agencies to disclose all relevant information including land use agreements on the property, creating better refinancing programs, enforcing the city’s right of first refusal, and many others.

By the end of the workshop, tenants had created a comprehensive approach to preservation. Both preservation and protection were important themes covered in the P.I.E. platform. The policies combine stronger incentives with stronger regulations to keep owners in the program, as well as tighten the procedures for a more equitable buy-out process.

After hours of cooking up P.I.E., tenants were ready to launch a public campaign. Early on an October morning, another 100 participants came out to rally at Lake-

view Apartments in East Harlem. Lakeview, a Mitchell-Lama rental still currently fighting a potential buy-out, would go to market-rate housing if owner Robert Seavey were allowed to privatize.

Lakeview tenants stood alongside Mitchell-Lama tenants from all 5 boroughs as well as with Comptroller William Thompson, Manhattan Borough President Scott Stringer and Council Members Melissa Mark-Viverito and Gale Brewer to demonstrate the need to preserve affordable housing.

Marching from Lakeview Apartments to Schomburg Plaza (from an at-risk Mitchell-Lama to a bought-out Mitchell-Lama,) tenants declared “New Yorkers Demand a Piece of the P.I.E.!” The message was more than clear—if we don’t act now, more loss will be under way.

Indeed, another 10 Mitchell-Lamas in addition to Lakeview remain threatened by buy-out. Every borough is fighting to preserve their affordable housing. The urgency for P.I.E. is clearly greater than ever.

In the words of Bronx tenant leader Barry Soltz: “The rally was a success in that we were able to introduce PIE to the political community and to the general public. However the rally was only the beginning. We have a great opportunity with the new administration in Albany. We need to continue the fight and put pressure on Albany to make our goals a reality!”

TENANTS & NEIGHBORS

YES, I want to support the fight for tenants’ rights and affordable housing

My check is enclosed for:

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Please make your check payable to: **Tenants & Neighbors**

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New York, NY 10001-5906

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Home Phone _____
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