



## MITCHELL-LAMA RESIDENTS COALITION

Vol. 24, Issue 4  
December 2018

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

# Democratic control of NY state Senate spurs hope among housing justice advocates

In what had long seemed a hopeless dream, Democrats in New York State won control of the Senate in the November elections, unseating five Republican-held seats and winning three additional seats, an unexpected victory holding out a real chance of significant rent reforms advocated by tenant and affordable housing activists for decades.

What a difference from four years ago, when, as noted in a real estate newspaper: "It looks like New York City's real estate industry got what it wanted this [2014] election season."

The current reversal of the state's political environment bodes well for housing justice advocates. Among the key reforms they have been seeking are repeal of the **Urstadt Law**, passed in 1971 during the governorship of Nelson Rockefeller, which prevents the New York City Council from enacting any rent reforms without state approval.

Other rent and housing reforms sought by progressives include ending:

**Vacancy decontrol:** the removal of all rent regulations upon a tenant vacating a regulated apartment, whether the unit was under rent control or rent stabilization, under two conditions: the legal rent has reached \$2,700 (rising to \$2,774.76 in 2019), and the occupants had

a total annual income above \$200,000 a year for the past two years.

**Vacancy bonus:** allowing landlords to tack on a 20 percent hike in a regulated unit upon vacancy.

**Preferential rent:** landlords offering a rent lower than what is required under the "legal registered rent." Although this appears to be a good deal for tenants, it enables landlords to hike the rent upon lease renewal, hikes which are not subject "to city-set limits governing other rent-regulated apartments," as explained by [ProPublica](#). Rent hikes under this provision often reach many hundreds of dollars a month. Further, according to the Metropolitan Council on Housing, the actual rent is sometimes falsely registered, which is not verified by the state, unless a tenant files a formal complaint, often a long and frustrating process.

**Major capital improvements:** allowing landlords to charge higher rents to pay for so-called "major" improvements to an apartment. The higher rents stay in effect permanently, even after the owners have been fully repaid.

With Democrats now in control of both the state's Senate and Assembly as well as the Governorship, housing justice advocates would seem to have a clear path towards reform. However, there is no

guarantee that reformers will get everything they want. The reason is the continuing influence of the city's wealthy and powerful real estate industry.

According to *The Real Deal*, for example, Gov. Cuomo "enjoyed the generous financial support of the real estate industry throughout his primary race against Cynthia Nixon and into the general, collecting more than \$1 million in campaign contributions from city real estate interests in 2018 alone." To state the obvious, campaign contributions are made with the hope of access to the state's highest political office, access that can prove essential to donors' aspirations.

Still, Cuomo has positioned himself as a champion of tenants, especially with regard to [fair housing](#) issues such as income discrimination and housing for survivors of domestic violence. Further, during the recent Democratic primary battle, his campaign headquarters [said](#) he is in favor of ending vacancy decontrol.

In any event, the senate election results, which include the dismissal of most of the renegade Independent Democratic Conference members who used to caucus with Republicans to squelch progressive legislation, have gratified tenant and affordable housing advocates after years of frustrating efforts at reform.

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

### GENERAL MEMBERSHIP MEETING

Saturday, January 26, 2019 10:00 a.m - noon

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

**CONTACT:** [Information@mitchell-lama.org](mailto:Information@mitchell-lama.org)  
**PLACE:** Musicians Union, Local 802, 322 W. 48th St., near 8th Ave. in the ground floor "Club Room." Subway trains: No. 1 to 50th St. & 7th Ave.; Q,W to 49th St. & Broadway; E to 50th St. & 8th Ave.

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

# Party time!

MLRC held its annual holiday party on December 8. Celebrating with members were several political representatives.



**Top photo:** Party-goers include, from left to right, Katy Bordonaro, MLRC Corresponding Secretary; Ed Rosner, Jackie Peters, both MLRC Co-Chairs; Gail Brewer, Manhattan Borough President; Carmen Ithier, MLRC Treasurer; Anna Lewis, MLRC board member.

**Bottom photo:** Ed Rosner, New York State Senator Brad Hoylman with daughter, Lucy.

## UPCOMING EVENTS

**MLRC  
General Membership  
Meeting**  
Saturday, January 26, 2019  
10:00 a.m. - noon

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

**Musicians Union, Local 802,  
322 W. 48th St., near 8th Ave.  
in the ground floor "Club Room"**

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

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

### Mitchell-Lama Residents Coalition, Inc.

**Officers**

Co-chairs: Jackie Peters  
Ed Rosner  
Sonja Maxwell

Treasurer: Carmen Ithier  
Corresponding Sec'y: Katy Bordonaro

**MLRC NEWSLETTER STAFF**

Editor: Ed Rosner  
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Sonja Maxwell  
Jackie Peters  
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**Circulation: 5,000**

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

## JOIN THE MITCHELL-LAMA RESIDENTS COALITION 2019

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

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

Donations in addition to dues are welcome.

# HUD threatens to take over NYCHA unless city offers plan for repairs by January 31

The ongoing battle between the de Blasio Administration and the federal department of Housing and Urban Development regarding the New York City Housing Authority heated up in December, as Ben Carson, HUD's secretary, threatened to take control of NYCHA if the city did not come up with an acceptable plan by January 31 to deal with a long-deteriorating housing stock.

The December 14th letter threatening to hold NYCHA in "substantial default" -- a step towards eventual federal receivership--was sent the same day that the city, HUD, and the US Attorney's office were to submit plans to a federal judge regarding repairing NYCHA's seriously deteriorating conditions, which resulted from decades of neglect.

In its request to the federal court, the city and attorney general's office asked for 45 days to reach an agreement, noting that the city was "in the middle of productive conversations with Secretary Carson and the U.S. Attorney to improve the quality of life for the 400,000 New Yorkers who call NYCHA home."

## Nycha.2: Privatization?

A few days earlier, the mayor's office had released its own plan for repairs. Known as Nycha.2, the plan calls for expenditures of \$24 billion over the next decade. (NYCHA claims it needs around \$32 billion.)

Nycha.2 also appears to set the authority on the road toward partial or full privatization, by allowing developers to construct market-rate buildings on "underused" authority land, such as parks, playgrounds and parking lots.

In addition, under the plan some 62,000 apartments would be placed under private management, but would retain their affordability status by switching from the authority's rent guidelines to the federal Section 8 voucher program, which enable holders of the vouchers to pay only thirty percent of their monthly income for rent. The federal government then pays the companies the difference between the tenant's portion and a co-called fair market value.

In its warning to NYCHA, HUD did not mention the mayor's plan. Instead, it insisted on the city coming up with "tangible goals and milestones" by the end-of-January deadline, including in-

creased oversight and ways to properly address lead and mold in housing units."

Carson's threat is the latest salvo in an ongoing tumultuous situation.

For example, soon after the city made public its Nycha.2 plan, a federal judge rejected a proposed arrangement calling for a federal monitor--rather than HUD itself--to oversee the authority, in exchange for \$1 billion in repairs.

## 'Fatal flaws'

In a 52-page [opinion](#), Judge William H. Pauley of the US District Court for the southern district of New York, noted that the agreement "sidelines HUD and displaces the congressional framework for remedying public housing failures with a parallel framework to be managed by the judiciary." Further, the agreement "does not offer any specificity as to NYCHA's required or enjoined conduct."

In his opinion, Pauley noted "the disastrous human toll resulting from

a complete bureaucratic breakdown of the largest public housing agency in the United States."

The proposed agreement followed an investigation under which the federal government found in June that the authority defaulted on its lead-paint safety obligations, provided false statements to regulators regarding general housing conditions, and did not abide by its obligation to provide decent, safe and sanitary living conditions.

After hearing from numerous tenants regarding their personal experiences, the judge noted that "NYCHA's apartments and buildings are literally falling apart—and NYCHA knows it."

The judge also said that the proposed "decree suffers from fatal procedural flaws, including its formless injunctive relief and enforcement mechanisms. [It] also raises serious concerns implicating the separation of powers and the delegation of equitable judicial power."

## New City Council introduces bills to strengthen tenant protections

The following bills pertaining to tenants and rent are among those introduced by the newly elected City Council in November. Because the state still has to approve any rent regulation changes that are stronger than what currently exists, the Council's resolutions call on passage of these items by the legislature, and approval by the Governor. Since the new legislature will be dominated by Democrats, the resolutions stand the strongest chance of passage than they have in years (see story page 1). Some of these resolutions remained in committee as of this writing.

Among the resolutions are those calling call for:

¶ Repealing the 20 percent vacancy bonus.

¶ Repealing the "Urstadt law," which would allow the city to regulate residential rents on its own, without state approval.

¶ Insuring that a public emergency requiring rent control in the City of New York continues to exist and will continue to exist on and after April 1, 2018.

¶ Amending the City's adminis-

trative code, in relation to posting certain information in multiple dwellings containing rent-regulated units. The information to be required includes a statement of whether or not the multiple dwelling contains any apartment subject to rent control or rent stabilization. The owner must also post a public sign indicating that "This building contains one or more units that are subject to rent regulation."

¶ Removing the statute of limitations for rent overcharges.

¶ Requiring New York State Homes and Community Renewal to collect succession rights data from property owners and to release a summary of the statistics to the public. At present, the law allows, in some cases, a family member to legally remain in a rent-regulated unit when the leaseholder permanently leaves. It also allows a family member to claim succession rights for a rent-regulated unit by residing in the same apartment for at least two consecutive years (or one year if the primary tenant is disabled or a senior) before the primary tenant permanently vacates or passes away.

## City pays out \$300-plus million a year to deal with 'bad landlords'

New York City's "bad" landlords--those whose properties contain numerous housing code violations and who undertake higher than average eviction proceedings--cost the city more than \$300 million annually, according to a new study by the [Regional Plan Association](#).

Further, tenants in such buildings lose an average of a half-week's salary simply by having to spend time in housing court.

Based on a review of private buildings between 2013 and mid-2015, the findings indicate that the number of bad landlords in the city is relatively small (1.4 percent of owners), and that "most tenants in New York can expect healthy, safe accommodations." Still, a minority of unscrupulous owners "follow a different model -- cutting corners on maintenance, knowing that tenants do not have other options, or harassing rent stabilized tenants into leaving their apartments and making way for more profitable renters." These

owners rent to around one million tenants, almost nine-tenths of whom are people of color.

Within the city, the Bronx is the borough most adversely affected by bad landlords.

Not surprisingly, landlords' misbehavior tends "to have an outsized impact on people who are economically vulnerable, with 29% of people living in units owned by these landlords living below the poverty line, compared with 19% of New Yorkers overall.

Additional findings include:

- Nearly one-in-three people living in homes owned by a bad landlord lives below the poverty line and one-in-four is a child.

- Bad landlords are more likely to impact people of color, children, and those with disabilities.

The \$300 million cost to the city imposed by bad landlords includes money for legal aid to tenants, Housing Court, emergency shelters, emergency repairs and other programs.

## HPD's mobility program aims to help Section 8 recipients move upscale

A "mobility counseling" program designed to help some New York City Section 8 voucher recipients move to more affluent neighborhoods is now underway.

Administered by the department of Housing Preservation and Development, the program enrolls 45 tenants, selected through a lottery, in workshops on such issues as negotiating with landlords and improving their credit scores.

Upon completing all the workshops, the tenants will be eligible for increased voucher funding, to as much as \$3,500 a month, depending on the number of bedrooms in an apartment. The increases will facilitate moving to more upscale neighborhoods, which generally have better schools and other facilities than do low-income areas.

Studies show that the economic status of a neighborhood often has long term effects on children's well-being, including mobility upon

adulthood.

More than eight out of ten Section 8 tenants with young children live in high poverty neighborhoods, according to Eva Trimble, HPD's deputy commissioner of financial management and tenant resources, who was quoted in the Wall Street Journal.

To encourage landlords in the wealthier neighborhoods to accept the voucher tenants, HPD offers various incentives, such as more rapid construction permit approvals, paying them rent up front, and owner and broker bonuses.

Asked why HPD offers incentives to owners who are required by city law in any event to accept voucher tenants, an HPD spokesperson said the bonuses are an additional way to encourage landlords to cooperate. "Running a red light is also against the law, but we still need a police presence to encourage obeying the law," he said.

## Kavanagh and Hoylman set to lead two powerful senate committees

The victories of two Democratic state senators who will take their seats in the newly elected chamber in January bode well for advocates of affordable housing and justice issues in general. Brian Kavanagh will lead the senate's standing committee on housing, construction and community development, and Brad Hoylman will assume the chairmanship of the senate's judiciary committee.

Both positions carry wide-ranging influence over appointments and legislation.

Regarding housing, Kavanagh recently commented that with the 2019 senate, "Everyone can expect that we will have a very strong effort to strengthen the rent laws to protect tenants."

And Hoylman, as described by The New York Law Journal, has been outspoken on issues involving "the judiciary, the environment, human rights, gun control and government ethics."

### MLRC Developments

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

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

*Donations above membership dues are welcome*

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

## Affordable housing news from around the nation

### Washington, DC: Council votes to restrict Airbnb

The DC Council voted unanimously to restrict short-term rental companies like Airbnb. Under the new rules, which take effect October 1, 2019 upon the mayor's signature, primary homes may rent short term for a maximum of ninety days a year if the owner is not present. For second homes, short term rentals will be forbidden. The aim of the bill is to stop the outflow of affordable housing units, as owners often find it more profitable to rent units for multiple short-term tenants than for permanent residency. Airbnb, arguing that the city will lose \$96 million a year in tax revenues because of the bill, has suggested it will sponsor an initiative to overturn the new rule in 2020.

### Denver: Mayor doubles fund for affordable housing; Council extends term

Mayor Michael Hancock doubled the city's fund dedicated to affordable housing, and the City Council approved a bill to triple the minimum affordability period for new rental projects receiving city subsidies from twenty years to sixty-years. The extension law will take effect in February 2019.

### California: Voters nix proposal to repeal law on rent regs

In a November referendum, California voters defeated a proposal (Proposition 10) by rent control advocates to repeal a 1995 state law limiting local rent regulations. That law prevents units built after 1995 and single-family homes and condos from being rent-controlled, and allows landlords to raise rents up to

### Ebbets Field tenants sue owner over elevator and other crises

Tenants at Brooklyn's Ebbets Field apartment complex, a former Mitchell Lama development which is now privately owned, are suing Fieldbridge Associates, the landlord and management agent, for lack of repairs, especially concerning the crises regarding elevators, which continually break down. This past summer, the Fire Department had to rescue several tenants trapped in one of the elevators.

In addition to the lawsuit, tenants

are applying to the NY State Homes and Community Renewal for rent reductions. Many of the 3,000 apartments in the seven buildings are rent stabilized.

### Austin: Voters approve \$250 housing bond issue

Austin voters approved a record breaking \$250 million bond proposal for affordable housing in November. The proposal faced little opposition as a coalition of nonprofits and builders supported the campaign. Those approving comprised 73 percent of the voters, compared with 27 percent who opposed. The housing proposition was one of several approved to support libraries, museums, flood control, health services and transportation, all of which totaled \$925 million.

### Detroit: Officials fear massive loss of affordable housing as tax credits expire

As low-income housing tax credits are set to expire over the next five years, city officials fear a loss of perhaps 10,000 apartments, and a consequent displacement of many thousands of lower income tenants. To add to the problem, many of the units are in "areas ripe for redevelopment," according to local press reports. In an effort to deal with the impending crisis, the city has begun planning for a \$250 million affordable housing leverage fund, with support from the Detroit Local Initiatives Support Corp. Officials expect the fund to create 2,000 additional affordable units.

## Local Housing Briefs

### Investors, far more than families, are buying up houses in NYC

Houses in the city are increasingly purchased by investors, rather than families or individuals, according to a new [report](#) by the Center for NYC Neighborhoods. One result is the decreasing availability of affordable homes. The report notes that "Investor home purchases (most with all cash offers) have doubled since the [2008] foreclosure crisis, beating New York families to affordable homes — investor purchases are up in all boroughs and in 2017, 62% of affordable single family home purchases in New York City were to investors. Young and millennial home buyers are shut out of the housing market due to skyrocketing prices, stagnant wages, investor competition, and tight lending conditions."

### More school children are homeless today

The number of school-age children who are homeless in the city has reached 114,659 as of last spring, or about one in ten students. This is up from 69,244 children in 2010, according to a [report](#) in the New York Times, based on data provided by Advocates for Children of New York.

### 'Cluster site' housing units on path to permanent affordability

Mayor de Blasio announced in December that negotiations with landlords and nonprofit organizations to convert 478 cluster site housing units to affordable homes are in full gear. The units, currently sheltering homeless families and individuals, are located in 17 Brooklyn and Bronx buildings. With City financing, the nonprofits will rehabilitate and manage the buildings for long-term affordability.

### Citylights co-op residents furious at Amazon deal

Residents of CityLights, a 42-story, 522-unit affordable co-op in Queens, are furious at the City and State for offering billions of dollars in public subsidies to Amazon for locating one of its two new headquarters in Long Island City, while refusing to extend the middle income co-op's own tax abatement. The co-op is facing a \$5.1 million tax bill, which residents fear will force many if not most of them to leave, as the whopping tax bill will force up rents. They also note that under the Amazon deal, the city will charge the mega-retailer a lower rate per square foot for its ground lease than CityLights pays.

# Rights and responsibilities of Mitchell Lama co-op shareholders

Adapted from CU4ML

## Where do my rights as a Mitchell-Lama cooperator come from?

The rights of Mitchell-Lama co-op shareholders arise from a complex set of laws, regulations and the individual co-op's corporate documents.

The laws include the Private Housing Finance Law, the Business Corporation Law, the Real Property Law, the New York State Division of Housing and Community Renewal (currently Homes and Community Renewal), and the New York City Department of Housing Preservation and Development, as well as by administrative regulations and court interpretations of the statutes and rules.

Additional sources of your rights include your co-op's Certificate of Incorporation, Proprietary Lease, and by-laws and house rules, as well as the City's Multiple Dwelling Law and the City's Housing Maintenance Code.

## Overview of your basic rights

The right to **occupy** the apartment in accordance with the terms of the proprietary lease;

The right to a **habitable** apartment (known as a warranty of habitability);

The right to **quiet enjoyment** of the apartment and all public areas and facilities;

The right to expect common areas to be **maintained** in appropriate condition;

The right to receive an annual **financial statement**;

The right to a **list of all shareholders**;

The right to **inspect minutes** of all shareholder meetings;

The right to receive notice of the **annual shareholder meeting** and to participate and vote in it;

The right to receive services and use facilities available to all other shareholders in a **non-discriminatory** manner.

## Other rights and responsibilities under HCR and HPD

Under both state's DHCR and the city's HPD rules, you have the following rights:

The right to have a **family member succeed** to the apartment if you move or die, if your apartment has been their primary residence and they have

appeared on your income affidavit for the two prior years (one year in the case of an elderly or disabled person). Except in the case of a HUD refinanced project, you have the right to a **public hearing** before a carrying charge increase.

Further, no application for a **maintenance increase** can be entertained less than two years after the last increase.

Board members are required to provide the **most economical operation** of the project without endangering its long-term interest.

Board members are required to "be aware of and **responsive to tenant/co-operator grievances**."

There must be a **shareholder vote** to approve any proposed capital assessment.

The right to "**audit the books** of the housing company.

The right to **view the operating budget** and financial statements.

The right to use the development's community space for its residents. The housing company or its managing agent shall not unreasonably withhold permission for this use.

The right to an **administrative hearing**, except in the case of non-payment of maintenance, before any eviction proceeding is brought.

## Responsibilities of board members and owner/management under HCR

Board members must insure that "the annual operating **expenditures** are spent effectively and economically"

Board members should . . . involve themselves in **tenant activities** . . . [and explain] the board's position on matters of mutual interest

The board must forward a copy of the **minutes of each meeting** to DHCR within 10 days. Presumably, shareholders can make a FOIL request to review these minutes.

Management must **maintain tenant files**, which include leases.

A new rule is "not effective as to such cooperator" until "it actually appears in a **lease or occupancy agreement** with said . . . cooperator."

Leases cannot exceed **three years** in duration.

Management must adhere to a **rent**

**determination procedure** for maintenance increases which involves notice to cooperators, an opportunity to comment, and "access on the part of . . . cooperators or their representatives to the financial records of the company."

## Researching your rights

Although the laws and rules lay out a number of specific requirements, as well as the duties and responsibilities of directors and officers, the first place to look to see if a particular situation is covered is your building's by-laws, your proprietary lease, and house rules. These are important documents that you should keep in a convenient location and refer to when questions arise.

**Bylaws:** The by-laws state when annual shareholder meetings and elections to the board of directors are held, how notice is given, how to call a special meeting, the procedures for amending the by-laws, how to recall directors, and the quorum for voting and holding meetings.

**Proprietary lease** (or Occupancy Agreement, Agreement of Lease, etc.): The proprietary lease spells out who may occupy the apartment, the co-op's and shareholder's repair obligations, maintenance charges and how they are set, amending the Proprietary Lease, and related information.

If you think a question may be covered in the Public Housing Finance Law or the Business Corporation Law, look up the statutory language. You can review these statutes through a Google search for NYS Assembly. When the site appears, do the following:

Click on "Bill Search and Legislative Information."

Then click on the right side of page "New York State Laws."

Scroll down the page and click on "PVF" for the Private Housing Finance Law and on "BCL" for the Business Corporation Law;

In the Private Housing Finance Law, click on Article 2 for ML statutory provisions. *(Continued on page 8)*

## Stringer offers alternative to de Blasio's housing plan

City Comptroller Scott Stringer, who has reportedly been eyeing a run for mayor, has released an affordable housing plan, "[NYC for All](#)," that he says more effectively targets those who most need such facilities than does Mayor de Blasio's plan.

While the mayor's updated plan calls for the creation of 300,000 affordable units by 2026, the comptroller's alternative recommends a figure of 580,000 units, geared for low-income households currently paying more than half their income for rent. Of those households, two-thirds "make less than \$28,000 per year for a family of three; another 20% make less than \$47,000 for a family of three."

Stringer's plan would also triple the homeless families set-aside to fifteen percent for new construction and planning each year, compared with five percent in the mayor's plan.

To pay for his proposal, Stringer calls for revising the city's real estate tax system, specifically the Mortgage Reporting Tax and the Real Property Transfer Tax, which he says favor those wealthy enough to buy homes entirely

with cash, rather than through a mortgage, which is the norm for most middle income home buyers.

Offering an example of why this tax system is unfair, Stringer notes that an all-cash buyer of a home purchased for \$500,000 would pay a transfer tax of \$10,038, whereas those dependant upon a mortgage would pay not only that same amount, but an additional reporting tax of \$9,750. The comptroller argues that under this system, "New Yorkers are penalized for financing their home."

To deal with this imbalance, Stringer's plan "eliminates the Mortgage Recording Tax entirely. Instead, it treats all transactions equally, regardless of how a home is purchased, implementing a single progressive Real Property Transfer Tax that rises as the price of the property rises."

To start the process, the comptroller repeats his call, initially made more than two years ago, for creating a dedicated land bank/land trust, that would "take control and develop abandoned properties," including some twenty thousand vacant lots currently owned by the city.

## Waterside Plaza has new owner: 'aggressive' acquirer Brookfield

Waterside Plaza, a \$650 million Mitchell Lama complex along Manhattan's Riverside Drive, has a new part-owner, Brookfield Property Partners.

The arrangement reflects Brookfield's "aggressive acquisition streak in New York City," according to a report on the financial arrangement in *The Real Deal*. Among its other recent acquisitions are Brooklyn's Greenpoint Landing, a 1300-unit complex in the Mott Haven section of the Bronx, and an option to buy into 666 Fifth Avenue, the financially troubled mega-building owned by the Kushner family, whose son Jared is President Trump's son-in-law and advisor.

The amount Brookfield paid for its stake in Waterside is unknown.

As we recounted last issue, under an agreement reached earlier this year

between the city and Richard Ravitch, the owner would keep 325 units--all that remain under rent regulations of the original 1470 units--permanently affordable for seventy-five years.

In exchange for restrictions on rent increases in a rapidly gentrifying area, the owner--and presumably the new part-owner--will be guaranteed a ground lease for ninety-nine years. (That part of the deal, however, is still subject to the city's uniform land use review procedure, and must secure approval by the City Council. The process generally takes around six to eight months.) Ravitch has been attempting to extend the ground lease in order to refinance the mortgage. Under the City's deal, the owner's payments to the city will be reduced. The complex include four towers, twenty townhouses, and a large plaza.

## Rent reforms hot topic on panels as NY State legislature turns blue

Impending rent reform was the hot topic of two separate panels of officials in New York, as the vastly expanded Democratic majority in the state legislature raised hopes among tenant and housing justice advocates, and worried representatives of the city's real estate industry. (See page 1 for potential reforms.)

One panel, at a Town Hall meeting near the end of November, included NYC Comptroller Scott Stringer, State Senator Brad Hoylman, Aaron Carr of the Housing Rights Initiative, Sheila Garcia of Community Action for Safe Apartments, and Delsenia Glover of Tenants and Neighbors.

The other panel, by the New York Housing Conference held in early December, featured State Senator Liz Krueger of Manhattan; Assemblymember Steven Cymbrowitz of Brooklyn; John Banks, president of the Real Estate Board of New York; and Thomas McMahon of TLM Associates, a public relations firm.

At the town hall meeting, Stringer noted that the outflow of Mitchell Lama developments from the program was a major cause of the erosion of affordable housing. It led developers, he said, "coming to communities you built and saying 'Thanks a lot. Give us the keys and get out of New York.'"

At that same meeting, Carr noted that the city's J-51 tax benefit program for housing renovations was often abused by landlords, who neglect to place the apartments under rent stabilization, as required by the law. "Our organization in 2016 found that over a thousand buildings receiving J-51 tax benefits were out of compliance with rent-stabilization laws," Carr said. "And the outcome is a city saturated with fraud — tax subsidy fraud, J-51 fraud, 421a fraud — across the board."

At the meeting of the Housing Conference, which is a coalition of nonprofit and private developers, owners and managers, most panelists spoke of repealing vacancy decontrol, the major capital improvements provision, and other rent laws opposed by tenants. On the opposite side, real estate leader John Banks argued that such reforms threaten industry's ability to do business, and will curtail the availability of quality housing in the city. He argued that vacancy decontrol enables landlords to subsidize regulated units. Doing away with it will "limit people's incentive to create additional supply."

# Rights and responsibilities of Mitchell Lama cooperative shareholders

(Continued from page 6)

## Have a problem with your co-op? Here's how to proceed

Always keep a record of all written, in person, and telephone communications and make sure they are dated and, if oral, to whom you spoke. The first step is to make a polite request, in writing, to ask for the information you need or the resolution of a problem. If there is no response to your first request, send a second one and include a copy of the first. You can "cc" the supervising agency (HPD or DHCR) on this second request if the matter lies within their jurisdiction. If management or the board does not answer or you think the answer is incorrect, write to the supervising agency and enclose copies of your requests to management or the board.

Be as specific as possible when writing to the supervising agency regarding what you want them to do. For example, ask that they send a letter to management or the board pointing out that they must, for instance, post the waiting list in the Management Office in an HPD supervised project.

## Political approach?

In some cases a more political approach might be effective. The by-laws detail how shareholders can petition for a special meeting and propose amendments to the by-laws. Even if you think an attempt to change the by-laws will not succeed on the first try, this effort can lay the groundwork for future success because it helps organize cooperators and induces them to discuss the problems that generated the proposal to change the by-laws.

Try to word the by-law amendment you propose as simply as possible and organize others to help you gather the signatures needed to petition for a Special Meeting of Shareholders.

Also, include in the petition a date, at a reasonable time in the future, by which the Special Meeting must be called. Be sure you look up the following in your by-laws:

1. The number of valid signatures you need to call a Special Meeting of Shareholders;
2. The notice requirements for a Special Meeting;
3. The quorum requirements for your co-op (it could be a majority or one-

third of all shareholders or some other percentage);

4. Whether you need a majority or some other percentage of the quorum to gain approval of the proposed by-law.

## Freedom of Information Law (FOIL) requests

Public agencies are required to provide public records to members of the public upon request. Some agencies will allow you to view and copy the documents in their offices, while others will send you copies of the documents you request if you pay the cost of reproduction, which is sometimes waived if the document is short.

To make such a FOIL request, look up on-line or phone the Agency and find out the name of the Records Access Officer and the address of the agency. Write to the Records Access Officer and be as specific as possible about which documents or records you are seeking. Examples of information that you can get include:

All comments submitted to the Attorney General in relation to your co-op's Red Herring;

The budget that your board used to get approval for an increase in maintenance;

Correspondence between the Sponsor and Attorney General including copies of the deficiencies letters and 'black lines';  
Names of people on your buildings waiting list;

Correspondence between your co-op and HPD or DHCR that is not about a specific shareholder. Keep your request brief.

Your name, address, phone number,

The name of the records access officer, name and address of agency, date, and the statement: Re: Freedom of Information Law ("FOIL") Request relating to [whatever records you want—be as specific as you can be, for example, Records or documents relating to a NYSERDA Loan to Name of Development.]

## Sample request:

Dear [record access officer]: I am requesting any documentation or records that evidence information relating to the following: A NYSERDA loan made to XYZ, a Mitchell-Lama housing development located at [address]. I am most grateful for your assistance in this matter. Sincerely yours, [name and signature].

Addresses of the FOIL Officers at most of the relevant agencies are available on pages 13-15 of the "Guide to Mitchell-Lama Preservation" on the CU4ML website: [www.cu4ml.org](http://www.cu4ml.org)

ACRIS, the on-line Automatic City Register Information System, has a wealth of information about your building, including deeds, mortgages, liens, etc. Go to CU4ML's webpage and follow the directions to use this invaluable resource.

*The above article is based on a presentation by Cooperators United for Mitchell Lama. The full text, with detailed information on specific legal and regulatory sections, is available at [CU4ML](http://CU4ML).*

## Mitchell Lama 'agent' pleads guilty

**K**now anybody who wants to get into a Mitchell Lama building today, without waiting on a long list? Or is trying to get onto a list that's already closed?

Just tell them to get in touch with Yelena Litvak, a real estate agent (well, self-described as such) who, for a fee, will guarantee you or your friend an apartment either in Kings Bay Housing in Brooklyn, or Southbridge Towers in Manhattan.

But, alas, you or your friend may have to wait awhile. Ms. Litvak, a resident of South Brooklyn's largely Russian immigrant neighborhood, is about to spend perhaps six years in prison for fraud.

Yelena wasn't a real estate agent. She had no "inside" connection to Mitchell Lama. She was simply a liar who pleaded guilty in October to larceny charges, specifically, promising other Russian immigrants in her neighborhood that for a fee, they would get the desperately desired housing.

In New York City, where general apartment rents are soaring beyond conception, she had willing, if gullible takers.

The Brooklyn DA's office has said that "Litvak received a total of \$613,000 from 20 victims between January of 2017 and March of 2018."