



# MITCHELL-LAMA RESIDENTS COALITION

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December 2011

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

## ***Tenants filing for bankruptcy protection may now lose stabilized apartments***

**N**o tenant or landlord in New York City today can doubt the value of a rent-stabilized lease. This is true especially during the present economic stagnation, which causes jobs to disappear but somehow has not caused rents to drop. Indeed, free market rents have never been more exorbitant.

But there may be a dark side to such a lease for tenants, if they find it necessary to file for bankruptcy protection--say, if they lose their jobs. That is because a rent stabilized apartment now has *legal* value. In other words, it is, according to a recent court case, an "asset."

Under normal circumstances, who wouldn't want assets? But in a Chapter 7 bankruptcy situation, a court-appointed trustee may collect and manage or sell all of the filer's assets. The money from the sale then goes to pay the creditors--those to whom the filer still owes money prior to the protection offered by the filing.

If the filer is a tenant, then he or she may have to vacate the rent-stabilized apartment, to enable the trustee to sell it.

A court order issued recently in the U.S. Bankruptcy Court for the southern district of New York authorized the trustee for

an upper west side stabilized tenant to sell his remaining interest in his lease. The tenant was allowed to remain in his apartment for a specified short amount of time without paying rent (with some exceptions).

But when that time arrives, he'll have to vacate. The apartment--the "asset"--would then be sold for \$60,000, nearly all of which would go to the creditors.

According to an analysis posted on Digital Journal, tenants filing for Chapter 7 protection may find themselves "homeless after being evicted so that the trustee can get a hold of the value in the lease." This is even more the case for tenants in wealthier neighborhoods, where stabilized apartments have more value.

## **MLRC policy agenda for 2012**

**T**he Mitchell-Lama Residents Coalition has formalized its 2012 policy agenda. See page 6 for content.

## **Stuy-Town residents work with financial firms to buy historic complex**

**R**esidents at Stuyvesant Town, in conjunction with two national financial firms, are renewing efforts to purchase the complex to keep the 11,232 apartments affordable to the working/middle class.

The decision to try again to take control of the complex came soon after the original owner, Metropolitan Life, lost another of its attempts to dismiss court rulings that they owed tenants back rent for overcharges (see story, page 4).

Met Life had earlier sold the complex, along with Peter Cooper Village, to Tishman Speyer Properties and Black Rock Realty, but the new owners defaulted on the loans they took to buy the property, as the nation plunged into a deep recession.

Although negotiations are still in progress, media reports indicate that if the purchase goes through, the complex will be either a condominium or a cooperative, with around ten percent of the units remaining rentals.

The financial firms include CW Capital and Brookfield Asset Management. CW Capital defines itself in part as a "national lender to the multifamily, healthcare and commercial real estate."

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

## **GENERAL MEMBERSHIP MEETING SATURDAY, January 21, 2012**

**Time: 10:00 a.m. – 12 noon**

*(Refreshments at 10:00 a.m.)*

***Lobbying packets will be distributed.***

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

**PLACE: Musicians Union Local 802**

**322 West 48<sup>th</sup> Street (near 8<sup>th</sup> Avenue) Ground Floor, "Club Room"**

**TRAINS: No. 1, train to 50<sup>th</sup> St. and 7<sup>th</sup> Ave.; Q,W trains to 49<sup>th</sup> St. and Broadway; E train to 50<sup>th</sup> St. and 8<sup>th</sup> Ave.**

Mitchell-Lama Residents Coalition

P.O. Box 20414

Park West Station

New York, New York 10025

# Gloria Milliken's tenant advocacy and service groups still going strong

Numerous tenant and community support organizations founded or otherwise assisted by Gloria Milliken over the past forty years remain active today, following her death on September 4th.

Among them are Adopt-a-Building; Housing Conservation Coordinators Inc., formed to keep low-income families from being displaced during gentrification in Hell's Kitchen; and the Winter Heat Fund, a program for lending money to low-income people to buy oil. She was also instrumental in forming East Harlem's Hundred Worst Buildings.

Others include the Association of Neighborhood Housing Developers Inc.,

a citywide group comprising 40 neighborhood-based housing organizations; and the Eviction Intervention Services (EIS), which teaches residents how to advocate on their own behalf to prevent homelessness.

Essentially a monthly free legal clinic, the EIS is located at 1233 Second Avenue, in Manhattan. It is staffed by lawyers associated with the Housing Resource Center. They aid rent-regulated tenants being harassed by their landlords--often frivoulsly--who want them out so that they can charge a free market rent.

Gloria Milliken was a scion of the Milliken company, founded in 1868, one of the largest privately held textiles and chemical companies in the world.

## Issues on repossession after death of a rent-regulated tenant

What happens when a tenant in a rent-regulated apartment, including a Mitchell-Lama unit, dies? Can the owner immediately gain possession?

Not so quickly, according to a recent article in the New York Law Journal. This is so even if some rent had been owed prior to the tenant's death. Instead, the tenant's estate stays in possession. "[I]t is clear that the estate of the deceased tenant may remain in possession until the expiration of the current lease."

For a landlord seeking repossession, this means that he or she must "join" the

estate, or "name and serve notice" of an intent to assume possession, to an executor or other recognized representative of the property.

Likewise, if the deceased tenant had owed rent prior to death, the owner can only collect it from a successor--perhaps a son or daughter--living in the apartment by undertaking a "plenary [i.e., complete] action against the estate of the tenant." Any action short of that may be sanctionable.

A prudent landlord, the article notes, who wishes to collect such rent should offer a lease to a successor soon after the original tenant died.

## UPCOMING EVENTS

### GENERAL MEMBERSHIP

Saturday, January 21, 2012

10:00 a.m. - Noon

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

A raffle will be held as part of our membership drive. Lobbying packets will be distributed.

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

## Mitchell-Lama Residents Coalition, Inc.

### Officers

Co-chairs: Jackie Peters  
Ed Rosner  
Margo Tunstall

Treasurer: Carmen Ithier  
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Corresponding Sec'y: Katy Bordonaro

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Fax (212)864-8165  
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E-mail: [information@mitchell-lama.org](mailto:information@mitchell-lama.org)

### JOIN THE MITCHELL-LAMA RESIDENTS COALITION 2011

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

Name \_\_\_\_\_

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Current ML: Co-op \_\_\_\_\_ Rental \_\_\_\_\_

Former ML: Co-op \_\_\_\_\_ Rental \_\_\_\_\_

Development \_\_\_\_\_ Renewal \_\_\_\_\_ New Member \_\_\_\_\_

President's Name: \_\_\_\_\_

Donations *in addition to dues* are welcome.

NOTE: Checks are deposited once a month.

Mail to: MLRC, PO Box 20414, Park West Finance Station, New York, N.Y. 10025

*MLRC fights for you and your right to affordable housing!*

# 'I stayed up all night crying, terrified that one of my children might fall out the window'

Following is the affidavit of **Yvonne McCain**. In 1986 the Appellate Division, First Department, in *McCain v. Koch*, held that homeless families have a right to shelter under the New York State Constitution. Since that ruling, NYC and the Legal Aid Society engaged in litigation over a period of 25 years which finally resulted in September 2008 in the settlement in *McCain v. Bloomberg*.

**Y**vonne McCain, being duly sworn, deposes and says:

**1.** More than 25 years ago, I went to the City for help after my children and I were evicted from our apartment. At first, the City turned us away and said that there was no shelter available. Eventually, the City sent my family to the Martinique Hotel, where we stayed for several years.

**2.** The mattresses we were given at the Martinique were ripped, burnt, bug-infested and stained with urine on both sides. The sheets were greasy and stained. The one bureau we were given had no drawers. The rooms were infested with rats and bugs. We had little heat and often had no hot water. For the first week we were there, the smoke detectors rang each night for no reason. After I complained about this, a repairman came and removed the batteries so that the smoke detectors no longer worked at all.

**3.** The first night that my children and I were at the Martinique was one of the worst nights of my life. I can still remember how desperate and scared I felt. I spent hours sponging off the mattresses with disinfectant and trying to clean our rooms. Because the windows in our 11th-floor rooms were jammed open and had no guardrails, I stayed up all night crying, terrified that if I didn't watch them, one of my children might fall out the window.

**4.** There was no place to refrigerate milk for my children. After the first night at the Martinique, I had to put a gallon of milk on the outside of the window ledge to try to keep it cold. I also had to hang our food in a bag attached to a nail in the wall to try to keep vermin from eating the food.

**5.** The Legal Aid Society helped me convince the City to give my family shelter after we had been turned away. I wanted to be part of a lawsuit that Legal Aid would bring on behalf of families like mine to make things better for other families that needed shelter and who ended up at the Martinique. I thought maybe we could get clean mattresses and guardrails on the windows so that my children would be safe. I wanted the lawsuit to help homeless families like mine retain some of their dignity; just because you don't have any place to live doesn't mean you shouldn't have dignity. I didn't want other families to have to go through what we were going through. But I never thought the lawsuit I brought would be so important and help as many people as it has.

**6.** A lot has happened in my life in the past 25 years. In 1996, after moving from one place to another to get away from my abusive ex-husband, my children and I were finally able to settle down in an apartment in Staten Island, which we got through the Section 8 program. I went

back to school to become a counselor. My children have grown up now, and I am a grandmother. I am also a cancer survivor.

**7.** The case I helped start in 1983 has accomplished so much: The courts told the City to stop leaving homeless families to sleep in welfare offices and intake centers and said there had to be standards for the shelters and hotels where families are sent. As a result of the case, the City has not been allowed to turn families away because it says the shelters are already full, as it did when my family asked for help.

**8.** Recently, I found out that my cancer has come back. When my lawyer, Steven Banks of the Legal Aid Society, called me in September to discuss the fact that the City had agreed to settle the case, I wasn't feeling very well. But when he told me that, under the settlement, there would be a permanent right to safe, adequate shelter for families like mine, I was so happy and relieved. This is what we went to court for so many years ago, and I am so glad that I lived to see it happen.

**9.** I respectfully request that the Court approve the settlements in the above-captioned cases, so that other families do not have to go through what my children and I did. -- **Yvonne McCain, 7th day of December, 2008**

## **Hip-Hop building, once in M-L, now saved for current tenants**

**I**n the world of hip-hop, many know that a building in the Morris Heights neighborhood of the Bronx, 1520 Sedgwick Avenue, spawned the rap phenomenon. But not many know that the building had been, once upon a time, in the Mitchell Lama program: pleasant, affordable, well kept--exactly what ML had envisioned and put into effect throughout the city and state.

But then it was sold, in 2008, just prior to the real estate bubble that helped plunge the entire economy into chaos.

The owner, as the law allowed, sold it to a real estate company who took it out

of the program--and proceeded to default on the mortgage. Inevitably, deterioration set in. Then foreclosure.

Here's how the New York Times presents the effects of the change: "In the last few years, residents watched the building change from the well-maintained, working-class haven it was under the state's Mitchell-Lama program for middle-income housing, to a roach-infested building with malfunctioning water and heating systems, as well as a closed community room, said Ms. Davis and Gloria Robinson, the president of the Sedgwick tenants' association."

But the story has a happy ending. The building, in spite of the years of neglect, will be saved for the existing tenants. It has been purchased by Workforce

Housing Advisors, a group that attempts to preserve affordable housing, and includes in its real estate philosophy the belief that "the dignity and fairness of the working people living in those apartments must be an integral part of the decision making process."

In November, WHA became the owner, with a helpful loan from the City. As no other bids were received at an auction, WHA retains the premises.

In 2007, the building was eligible for listing on the National Register of Historic Places. The former owner, however, rejected the offer because of the accompanying restrictions. WHA now plans to pursue the designation.

## **HCR moves Bronx rent office**

**T**he Bronx borough rent office, a unit of New York State's Homes & Community Renewal (formerly DHCR) has moved to 2414 Halsey Street.

The office provides registered rent histories of each apartment, access forms, and answers to specific questions.

## NYC joins growing movement to aid ex-inmates in job search

In six states and numerous counties and municipalities throughout the country, a former prison inmate does not have to indicate upfront that he or she has served time when applying for a public sector job or, in the case of some of those localities, a private sector job as well.

While New York State is not one of the six, as of this past October, New York City joined the growing movement to remove a serious obstacle facing ex-convicts from securing employment--and thereby remaining highly at risk for recidivism. That is because the little checkoff box on city employment applications, requiring applicants to disclose a criminal record upfront, no longer appears.

Although the immediate beneficiaries of this "ban the box" movement are the former prisoners, the public in general "benefits from enhanced public safety and reduced expenditures for incarceration," according to a recent analysis by The Defenders Online. "Studies have consistently shown that ex-offenders who find jobs are less likely to commit more crimes and return to prison or jail." The economy also benefits, obviously, by the enhanced purchasing power of ex-inmates who land legitimate jobs.

Of course employers, both public and private, will still be allowed to raise the question of time served. However, by asking it after the first interview, workers have a greater chance of being considered on their own merits.

Inquiries later in the process also reduce the risk "that agencies would use overbroad or blanket policies that run afoul of federal and state civil rights laws, and still ensure that background checks are performed when necessary to ensure safety and security," according to a recent report in the Gotham Gazette, a website of the Citizens Union.

The New York City provision is a result of an executive order issued in August by Mayor Michael Bloomberg. In a presentation of the new policy last August before the newly launched Young Men's Initiative, the mayor said: "I believe that as long as you have served your time and stayed clean, and the crime you committed isn't related to the job you're seeking or a threat to public safety, you deserve a second chance just like everyone else."

## Five low-income families evicted via rent law loophole

A loophole in the city's rent laws allowed a landlord in Manhattan's Chelsea neighborhood to evict five low- to moderate-income families.

On December 6, the owner, Gary Brown, was able to force the families to leave because of an "owner occupancy" provision in the law that requires tenants to leave if the owner wants their apartments to serve as a primary residence for himself or his family.

Some tenants remain in the building, 221 West 16th Street, because as senior citizens they are protected from eviction. But while they can at present keep their homes, an attorney for some of the tenants, Robert A. Katz, noted that "These people are going to face 37 weeks of demolition. . . . [and] will have to live with jackhammers, with soot. And here's the very important part. For 37 weeks, they're going to be virtual prisoners in their apartment. . . ."

Tenants have been supported by various housing groups and several political figures, including Assembly Member Richard N. Gottfried, State Senator Thomas K. Duane, Council Speaker Christine C. Quinn and Community Board 4 Chair Corey Johnson.

In the meantime, a bill to close the loophole was introduced in Albany, sponsored by Assemblyman Vito Lopez and Sens. Daniel Squadron and Adriano Espaillat. It requires landlords to show "a compelling, immediate need for the housing," and limits "the landlord to only one unit for personal use, among other restrictions." In a related move, Gottfried is sponsoring a separate bill to eliminate owner occupancy completely.

## Met Life loses again in fight against Stuy-Town tenants

The former owner of Stuyvesant Town and Peter Cooper Village, Metropolitan Life Insurance Company, lost another round in November in its years-long efforts to resist paying back tenants in those buildings for rent overcharges. Tenants may now pursue more than \$215 in back rent.

The case dates back to 2007, when tenants sued to regulate their apartments, which had been deregulated under New York's rent stabilization law's "luxury" income-decontrol provision. Tenants also wanted to receive the difference between the rents they were paying and rents they should have paid, over the previous four years. They had discovered that the owners were receiving tax benefits through the city's J-51 program, which requires such beneficiaries to keep the rents stabilized. The owners lost.

But the former owner argued that the suit should be

dismissed because a previous decision on Stuyvesant Town, *Roberts v Tishman Speyer*, amounted to a "new" law, and under various precedents, such "new" laws may not be applied retroactively.

Initially, the Supreme Court agreed, and dismissed the complaint, giving the owners a ray of hope. But that dismissal was itself reversed by the Supreme Court's Appellate Division. The Court of Appeals then agreed with the Appellate Division.

Yet Metropolitan Life still sought to dismiss the case. They argued that retroactive application violated due process, and should be applied prospectively only, not retrospectively. But the Appellate Division held that retroactive application was neither unforeseen nor unexpected, nor was the ruling an "arbitrary change" in the law.

In effect, the latest efforts to dismiss failed once again.

## Developments dues paid from 2010-2011

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

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

Donations above the membership dues are welcome.

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

Bethune Towers	Pratt Towers
Castleton Park	Promenade Apartments
Central Park Gardens	RNA House
Clayton Apartments	Riverbend Housing
Coalition to Save Affordable Housing of	River Terrace
Co-op City	River View Towers
Concourse Village	Ryerson Towers
Dennis Lane Apartments	Concerned Tenants of Sea Park East
1199 Housing	Starrett City Tenants Association
Esplanade Gardens	St. James Towers
Jefferson Towers	Strykers Bay Co-op
Lincoln Amsterdam House	Tivoli Towers
Lindville Housing	Tower West
Manhattan Plaza	Village East Towers
Masaryk Towers Tenant Association	Washington Park SE Apartments
Meadow Manor	Washington Square SE Apartments
Michangelo Apartments	West View Neighbors Association
109th St. Senior Citizen Plaza	West Village Houses
158th St. & Riverside Dr. Housing Co	Woodstock Terrace Mutual Housing
Parkside Development	

If your development has not received an invoice, please call the MLRC Voice Mail: (212) 465-2619. Leave the name and address of the President of your Tenants Association, Board of Directors, or Treasurer and an invoice will be mailed.

# Cops are also in the 99 percent

By John DeClef Piñeiro

There were throngs in the thousands late this afternoon to attend the rally at Foley Square celebrating the two-month-old Occupy Wall Street movement, to march on City Hall, and to march across the Brooklyn Bridge in an amazing demonstration of popular support to oppose the many obstacles that have resulted in an unacceptable and unsustainable entrenchment of power and inequality throughout our land.

It seemed that men and women of various faiths, backgrounds, nationalities, and ages (including infants clinging to their mothers) were there in force to stand, and chant, and march together in a righteous cause to affect and transform our future in America. Groups of seniors, students, workers (union and non-union) and many activist groups from across the political spectrum from center to ultra left (with no Tea Partiers in sight) were there and making the, for me, now familiar loud “take-note” sound of a citizenry on the move..

I was interviewed twice (one of the news video teams was from Greece), and, again, my newest poster for this occasion attracted the attention and positive responses from many of the thousands of those who saw or photographed it, and from the police, who variously nodded agreement, smiled, chuckled, motioned to each other to take notice of the poster or gave a thumbs up in recognition.

Again, this was another opportunity for me to speak directly with various police officers, one of whom said flat out “this is just a job for me,” another was overheard to say “if I get laid off, I’ll be marching with you.” Another jovially thanked us for helping him pay for his kids’ tuition, and another said “we are just like you, just working for a living.”

At several places along the march route, I also approached groups of policemen (some of whom seemed caught off guard by my addressing them as a group) and I said to them “I know you’re good with this (pointing to the poster), right?” or I asked them point blank if they agreed with my poster. “Sure,” “that’s right,” “yep,” or a quick nod of the head was how they responded, as if to communicate their almost uniform acknowledgment of what has become an epiphany of our times: that some have taken unfair



Author with sign he made at OWS demo

wealth, that things have gone too far, and that there’s a lot that needs fixing.

I was particularly amused when I approached and addressed two high-level officers (judging from the bars on their epaulets), standing on the Bridge and wearing striking black leather jackets, decorated with all sorts of colorful bars and pins, who declared that I got the “best-dressed” award of the day. (I always dress formally in full business attire at demonstrations--“dress as you seek to be treated” has been an abiding rule for me for many types of occasions--but maybe I’m just showing my age.) I’m hoping that, at some point, many more people in suits will show up and join up with

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**Officer: ‘If I get laid off, I’ll be marching with you’**

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everyone else, in helping to make clear that this is the Movement of the 99% for change that we can all really believe in. . . for a change.

One of the real and literal high points was after we started marching on the Brooklyn Bridge, and had reached an elevated view just over the river. Perhaps some of you know that there is a very tall tower building with a solid, windowless light-brick façade facing the river on the left as you go toward Brooklyn. That’s the Verizon building. Well, it turns out that someone had ingeniously devised to project

some very encouraging light messages onto the brick façade, stating, for example, that we were just “at the beginning of the beginning” of a “movement that is changing the world,” and that we will most assuredly win this, and it ended with the appearance of an enlarged image: “99%” (in a circle of light).

As the planners of the rather energetic and high-spirited (and even festive) event had envisioned, everything appears to have gone off in a very orderly fashion, at least during the 4 hours from 5 to 9 p.m. that I participated, and there were no untoward incidents that I was aware of.

Throughout, I noted that the police (many with face-guard helmets) were just there, standing away at a distance from the crowds of protesting citizens. And, all along the march route (except for the middle part of the Bridge), they were acting like, often casual and sometimes vigilant, escorts. On several occasions, I actually went over to them and chose to deliberately “bridge the gap” by thanking them for “being our escorts today,” and they nodded back.

I cannot tell you how clear it is to me that challenging or taunting or accusing or actually confronting the police is just plain stupid conduct that is to be avoided and discouraged, when the message of a demonstration is about bigger things than just provoking a clash.

Treat or think of someone as an enemy, and you disable yourself attitudinally from being able to make an ally. It’s like being distracted from your goal because of all the “ambient noise.”

So, that’s it.

Maybe I’ll see some of you there the next time.

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## MLRC to host raffle at next general meeting

A raffle will be held by MLRC at its next general meeting on January 21 as “an effort to keep fund-raising from becoming dull with the same routine,” according to Co-Chair Margo Tunstall Brown.

Prizes will include an HP Photosmart printer (which prints, scans and copies), a basket of Wen hair products, and wine. The cost will continue at \$2.00 per chance.

Ms. Tunstall noted that “So much of our fund-raising depends on what our members can afford to pay.”

If the effort is successful, the following general meeting will host a 50/50 raffle.

## Tenant withdraws suit against judge for sale of 'blacklisting' data

A rent-stabilized tenant on Manhattan's upper east side who filed suit against the chief judge of the New York court system discontinued the action after Justice Eileen Rakower refused in November to stop the allegedly illegal sale of tenant data to companies who resold it to landlords.

The tenant had argued, in New York Supreme Court, that the practice resulted in the creation of a "blacklist" that landlords use to refuse to rent to them, thereby cutting them off from the rental market through no fault of their own.

The case may be continued in a different jurisdiction. Attorneys for the plaintiff said that they "are exploring options to bring it in federal court."

The suit, *Whelan V. Lippman*, was filed in New York State Supreme Court in October.

The resulting data, or blacklist, states whether a tenant has ever appeared in housing court. It does not specify the reason for the appearance, such as the issues involved. So a tenant suing a landlord for harassment or any other reason

will automatically appear on the list, alerting the landlord that the tenant is a "trouble maker."

In the suit, three companies that buy data from the court system, and then re-sell it to owners for tenant-screening purposes, were identified. However, they were not named as defendants. The companies are National Tenant Network, RentPort, and CoreLogic SafeRent.

Whelan brought the suit after he received a notice from a new landlord, who had recently purchased the building, that he had to vacate for a member of the landlord's family. But instead of suing in housing court--where he could then be blacklisted--he decided to sue the judge. His attorneys had hoped that if he won, the case could serve as precedent. This may still be the result if the case is filed in federal court.

The motivation for the discontinuation was the refusal of Justice Rakower to issue an injunction barring the Office of Court Administration from disseminating electronic information to tenant screening firms, and lifted a previous restraining order.

## New tenant protections slated at HCR?

The following observation was made on the "Heard Around Town" section of the Real Rent Reform blog:

"The black and Latino lawmakers who lined up behind Gov. Andrew Cuomo's tax package last week will get at least one more friendly gesture from the administration for their support, sources said.

"The governor is soon expected

to announce a new tenant protection unit in the state Division of Housing and Community Renewal--two dozen lawyers and investigators to go after bad landlords. It falls short of a more tenant-friendly full reform of the department that some lawmakers wanted under Commissioner Darryl Towns, and that never materialized in the spring fight over renewing rent regulations."

## Black, Latino homeowners more likely to face foreclosure

Homeowners in communities of color, especially black and Hispanic, are disproportionately more likely to lose their homes in foreclosure than homeowners in white neighborhoods.

A study released in November by the Center for Responsible Lending found that although white families are the majority of those affected by foreclosures, "borrowers of color are more than twice as likely to lose their home as white households."

The study found that the higher foreclosure rates "reflect the fact that African Americans and Latinos were consistently more likely to receive high-risk loan products, even after accounting for income and credit status."

For example, even among those with high credit scores, African Americans and Latinos were "much more likely to receive high interest rate (sub-prime) loans and loans with features that are associated with higher foreclosures, specifically prepayment penalties and hybrid or option ARMs."

Around ten percent "of higher-income African-American borrowers and 15 percent of higher-income Latino borrowers have lost their home to foreclosure," the report noted, "compared with 4.6 percent of higher-income non-Hispanic white borrowers."

A summary of the study is available at the Center's website, <http://www.responsiblelending.org/>

## MLRC 2012 policy agenda and lobbying program

The Mitchell-Lama Residents Coalition has formalized its policy agenda for 2012. Following is the agenda:

Extending rent stabilization protections to all former Mitchell-Lama buildings, including those already taken out of the program regardless of their year built, without rent increases based on unique or peculiar circumstances

Strengthening the rent stabilization and co-op laws.

Repealing high rent vacancy destabilization.

Preventing the privatization of Mitchell-Lama Co-ops until their eligibility for municipal tax exemptions have expired. This expiration will occur fifty years from now.

Prohibiting the use of New York City or New York State pension funds for the financing of Mitchell-Lama buy-outs.

\* \* \*

During the next few months, MLRC will train members in lobbying elected officials in their communities. This is an opportunity for both new and experienced lobbyists to renew their relationships with legislators and keep them abreast of our housing concerns.

We will focus on improvements in regulations, and legislation concerning affordable housing. We will also remind them that Mitchell Lama coops and rentals are the prime example of affordable and safe homes in this state. Please attend the January general membership meeting, or contact us for further details and/or to obtain our lobbying packet. E-mail: [information@mitchell-lama.org](mailto:information@mitchell-lama.org).

## Meadow Manor tenants seeking protection from planned buy-out

Residents of Meadow Manor, a rental complex in Corona, Queens, are hoping to persuade the owner, Leslie Westreich, to stay in the Mitchell-Lama program, after he announced his intention to buy out.

If, however, the owner rejects the request, the building would become rent stabilized, because it was occupied before 1974. In that case, the tenants association would seek protection by the state's Homes and Community Renewal agency (formerly DHCR).

A key part of their strategy is to push for significant repairs to the complex prior to the buyout. If the repairs are undertaken after the owner exits ML, tenants would face rent increases under rent stabilization rules.

Tenants will also seek to ensure that any rents charged will remain at the last amount they paid while the development was in ML. Some owners have argued that the very act of exiting amounted to "unique or peculiar circumstances," which state law allows as a basis for rent hikes. That argument has been denied by the courts.

The tenants are being aided by Tenants and Neighbors and Legal Services.

# *Ups and downs and ups and downs: a snapshot history of the tenant movement in New York City*

By Nathan Weber

*The following essay is based partially on "The Tenant Movement in New York City, 1904-1984," edited by Ronald Lawson and Mark Naison, Rutgers University Press, 1986. Although the book is out of print, all chapters are available at <http://www.tenant.net/Community/history/hist-toc.html>*

Throughout its century-long history, the tenant movement has been marked by swings, from vast numbers of people feverishly active to near non-activity, from intense militancy to moderate reformism, from calls for the total overhaul of the nation's housing system—and sometimes of the private enterprise system which it reflects—to advocacy of tenants becoming landlords.

As a movement, it has championed the very low income, while representing the middle class as well. Preceding the civil rights movement, it merged with it in northern cities during the 1960s heyday, then separated as civil rights gave way to black nationalism.

It is a movement that has chalked up some impressive victories, such as securing public housing, rent regulations, protections against evictions, even "warranties of habitability"—legally enforceable promises of entitlement to adequate services upon the signing of a lease.

## **When it began**

In 1904, on the Lower East Side, scores of recent Jewish immigrants from Russia, Poland and other countries staged the first recorded rent strike, soon to be joined by hundreds of the area's inhabitants. Their grievance was rent increases. Apparently, some landlord or group of landlords wanted to raise monthly rents from \$8.50 to thirteen dollars a month, while the typical tenant earned something like sixty cents a day, or eighteen dollars a month for a seven-day workweek. If the hike went through, the tenants—typically a family of five to eight in three tiny dark rooms, sharing a toilet and sink with several other families—would have to pay almost three quarters of their gross income for rent. (Bear in mind that today, even mainstream economists specify thirty to forty percent of income as "normal," that is, acceptable--to them).

## **Rent strikes multiplied**

As the decade wore on, strikes multiplied, expanding to Brooklyn and the other boroughs. Most were led by women who had earlier developed their organizing skills by protesting meat prices at local markets. (Some of those food protests had turned violent. In 1902, when kosher beef prices

soared fifty percent in a day in northeastern cities, Jewish women in Harlem, the Lower East Side, the Bronx, Newark and Boston rampaged through the streets, battling police, smashing butcher store windows, and burning mounds of fresh meat in the streets, according to news reports at the time.)

With the spreading rent strikes, tenants sought and received support from nonprofit and labor groups, including the United Hebrew Trades, the Workmen's Circle, and several unions. Such support,

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### ***The tenant movement merged with civil rights during the 1960s***

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rare today, probably reflected the close knit nature of immigrant communities and the strong sense of both left wing politics and worker solidarity. Towards the end of the decade, several tenant groups formed an umbrella organization, the New York Rent Protection Association, which lasted a few years.

A spate of rent strikes erupted in the second half of the following decade. At the time, some 25,000 tenants in small groups were reportedly affiliated in a tenants' league. In 1920, the groups were able to secure passage of the first significant regulation in New York State: The Emergency Rent Laws, which allowed municipal justices to judge all rent increases according to the principle of "reasonableness," and restricted the rights of landlords to deny lease renewals. The law remained on the books for a decade.

During the Roaring Twenties, a slump in the construction of new buildings and the consequent increase in demand for apartments led to rapidly rising rents and the eviction of thousands of tenants. Groups in four of the five boroughs not only struck, but picketed City Hall, demanding protection.

Other tenant groups functioned as benevolent societies, offering rent money to indigent families, as well as food and other items. In fact, the South Bronx Tenant and Civic League had its own Social Services Committee. (Over the next few decades, unorganized tenants in poorer neighborhoods often threw rent parties, opening

their apartments to a night of music and drink for a small admission price, the proceeds of which were used to pay the next month's rent.)

Politicians of widely divergent philosophies took notice of the burgeoning tenant movement, and hustled to offer support. These included the Socialist Party, then a serious electoral contender, and both the Republican and Democratic machines. The latter two, unlike the Socialists, did not view the tenant movement as a step towards the radical overhaul of the economy, but were cognizant of the voting potential of a newly organized bloc.

More conservative organizations also joined the fray, including the Irish and German groups calling themselves Community Councils of National Defense. Their mission was to aid in civil defense and promote "Americanization," which helped tenants because it translated into efforts to improve neighborhood health and transportation facilities, as well as leading to campaigns against food price hikes.

## **Four phases of tenant activism**

The Great Depression of the 1930s ushered in four general waves or phases of tenant activism, often running concurrently. One phase was an anti-eviction movement, in which the American Communist Party and the American Labor Party often took a lead in organizing rent strikes. During those bleak years, a massive strike at Knickerbocker Village in Manhattan led eventually to the formation of a Citywide Tenants Council, which became one of two dominant groups until World War II. (The other group was the Consolidated Tenants League, which eventually merged with Citywide.)

A second phase during the pre-war years entailed upgrading tenement buildings, a mission led by social work organizations like settlement houses and Mothers Clubs, whose leaders tended to be middle class reformers rather than radicals. Activities during this phase included "Better Housing Week" tours of slums by legislators, which ultimately resulted in laws requiring fire retardant halls and stairs, a toilet for every family, and a window in every room.

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A campaign for public housing comprised the third phase, led by tenants themselves and various liberal political representatives.

Finally, facing the revival of rent profiteering as World War II galloped near, tenants mobilized in a campaign for rent control, which resulted in, among other things, a short-lived national rent control law and a still extant, but barely surviving rent control system in New York City in 1947. A much different rent stabilization law, still extant in the city, was passed several decades later.

## **Critics on the right and left**

All these phases, and indeed the tenant movement itself, had its critics on both the right and the left. Conservatives and real estate interests condemned the intrusion of government into the private housing market, fearing that public housing would not only compete with private developers, but was contrary to the private enterprise system (even though public housing was underwritten by private banks that purchased the municipal bonds used for financing the developments, and built by private construction companies). They also protested that health and safety laws would burden them unconscionably, and that rent control would undermine their ability to maintain their buildings.

The latter is still argued by the real estate industry. Tenant groups respond that for all of its so-called burdens, private residential real estate remains one of the most lucrative economic sectors in the city, and that most if not all buildings under rent regulations are highly profitable. The tenants' main argument, however, formerly and at present, is that the right to an affordable, decent home should take precedence over profits.

On the left, critics of public housing and rent control charged that these victories ultimately sapped the movement's desire to push for more fundamental economic changes. The change they had in mind was replacing an economy based on profit with one based on the fulfillment of human need. Specifically, to supplant a private or corporate market economy with a publicly planned economy which, they maintained, alone can permanently eliminate all housing inequities. To the left critics, every housing reform represented a dilemma: even as it met an immediate tenant need, it tended to blunt radical activism or at least radical "consciousness" necessary for long term, or permanent, change. This type of argument emerges in virtually every left-oriented social movement.

By the 1950s, with public housing being built, occupied and mostly well managed—notwithstanding horror stories of some projects in Chicago and St. Louis—the

tenant movement turned forcefully to confront the displacement issue, which it had dealt with only sporadically until then.

Ironically, some new displacement was a consequence of a victory: the 1949 federal Housing Act, which ushered in the era of urban renewal. Under the law, the federal government would pay two thirds of the cost of redevelopment, a boon to localities and private developers. New York City, then strongly influenced by its Parks Commissioner Robert Moses, took advantage of the option. Moses was the official who oversaw construction of many bridges, tunnels and highways as well as public housing, and had no compunction about destroying whatever buildings stood in his way, including vast swathes of structurally sound, affordable housing.

At around the same time, developers sought to expand the stock of high rent apartment and luxury cooperatives and condominiums, and they, too, did not hesitate to lobby for, and accomplish, the clearance of block after block of houses in which lower and moderate income people lived. Innumerable small businesses were also eliminated.

Other "renewal" projects proceeded

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## ***Right to affordable housing versus right to profits***

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alongside the official urban renewal program, but with the same effect of dislocating long time residents, including hundreds of mom and pop stores. A prime example was the World Trade Center, plans for which were announced by David Rockefeller, then vice chairman of the Chase Manhattan Bank, in 1958. Rockefeller was the brother of Nelson Rockefeller, then the state's governor. According to one account, "In order to create the 16-acre World Trade Center site, five streets were closed off and 164 buildings were demolished." Those buildings housed primarily 500 small businesses, most of them retailers in radios, televisions and other household electronics.

## **'Save Our Homes Committees'**

Opposition to the development/displacement plans, especially among tenants, broke out throughout the city, especially in Manhattan, in neighborhoods as diverse as Greenwich Village, Morningside Heights, Yorkville, Clinton (Hell's Kitchen), and elsewhere. While these new tenant protests—organized under the rubric "Save Our Homes Committees"—did not end displacement, they did blunt it, at least for a while. By 1959, many of these individual tenant groups got

together to form the Metropolitan Council on Housing, which went on to become the largest and most influential tenant association in the city for the next decade.

Divisions between the leadership and membership of Met Council eventually led to the formation of the New York State Tenants and Neighborhood Coalition, popularly referred to as Tenants and Neighbors, which took the lead in lobbying to strengthen the state's tenant protection laws.

## **Mitchell-Lama program**

A few years prior to the founding of Met Council, tenant advocates had been successful in winning passage of the New York State Mitchell Lama program, named for State Senator MacNeil Mitchell and Brooklyn Assemblyman Alfred Lama, who sponsored the legislation. Under it, developers and owners of both cooperatives and rentals could secure low-interest mortgage loans and tax exemptions, as well as a guaranteed return on investment (initially six percent, later seven and a half percent) in exchange for limiting profits and keeping prices, both rents and purchase prices, affordable to moderate and middle income residents.

Mitchell-Lama was—and often still is—hailed as one of the state's most successful affordable housing programs, having facilitated the creation of 269 developments with over 105,000 apartments, including the massive Co-Op City in the Bronx and the multi-structure Independence Plaza North complex in lower Manhattan.

Notwithstanding the program's effectiveness, tenants were soon faced with a serious problem: endless rent increases allowed to owners who claimed they were not making sufficient profit. Confronted with these increases, many of the individual developments formed their own tenants associations, some of which organized rent strikes.

But another, more serious problem was looming: tenants and many cooperators eventually realized that the legislation establishing the program contained a deep flaw: a provision that allowed owners to opt out of the program after twenty years (originally thirty-five years), and then, in most cases, allowed them to charge market rents. This provision was included to secure early real estate support for M-L.

On April 24, 1984, the Mitchell-Lama Residents Coalition was founded—in part to stop the buyouts—by Doris Rosenbloom and Bob Woolis, both long time community activists, and Congressman Charles Rangel.