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PERIODICAL

Why Regulate Rents?

By Kenny Schaeffer

There is a housing crisis in New York. For the poor and middle class alike, rents are outrageously high and getting higher. How are people supposed to live in a city where apartments rent for $1,000, $1,500, $2,500 a month? Rent regulations are the only thing stopping this crisis from getting even worse. Obviously we need more new housing, but further weakening or removing rent controls and eviction protections would cause an even greater disaster.

Sharp rent increases, even in low-income neighborhoods like Harlem, have made owners increasingly eager to evict families, in order to take advantage of the tremendous sums vacant apartments now command. Rampant rent escalation is having a devastating impact on the Section 8 program, whose government subsidies used to exceed what owners could otherwise get, but no longer compare with "market" rents.

Regulating rents while there is an unprecedented shortage of affordable housing and record industry profits makes good sense. However, a disinformation campaign about rent regulation coming from landlords, politicians, academics, and editorial pages has muddied the debate and eroded public support.

The rent laws expire on June 15, 2003. We must organize a campaign to renew and strengthed these laws, or the city's housing crisis will become a catastrophe.

On November 6, voters in New York will elect the entire state legislature and the governor who will decide the fate of rent and eviction protections next year. Use it or lose it—we have nothing to lose but our homes!

Why Regulate Rents: The Invisible Hand

In two words, need and greed. No one can deny that housing is a basic necessity (and therefore a human right) along with food, health care, and a living wage. The obligation of government to help meet the need for housing remains the law of both the United States, as contained in the National Housing Act of 1949, and of New York State. The Emergency Tenant Protection Act of 1974 makes the following "legislative findings": "A serious public emergency continues to exist in the housing of a considerable number of persons in the state of New York... protective action by the legislature continues to be imperative in order to prevent exaction of unjust, unreasonable and oppressive rents and rental agreements and to forestall profiteering, speculation and other disruptive practices tending to produce threats to the public health, safety and general welfare."

Rent regulation pays for itself by arresting the loss of affordable housing, at far less cost than replacing a lost unit from scratch. Estimates of the cost of creating new housing exceed $100,000 per unit, meaning that it would cost $100 billion (excluding economies of scale) to produce the million affordable units the city would need to solve the crisis.

The debate about whether to strengthen or weaken rent and eviction protections is a permanent feature in a society which expects low-income housing to be provided by private owners. But this debate is now taking place in a national context involving deregulation and privatization of everything from the airline industry and banks to schools and prisons.

The Enron scandal promises to inform the debate over the renewal of rent regulations, because it has revealed the hollowness of many free-market myths. Adam Smith is seen to have one invisible hand in our pockets and the other clasped with Joe Bruno.

This Little Pig Went to Market

New York's last all-out battle over rent regulation—even bigger than the showdown in 1997—occurred in 1971. Nelson Rockefeller was governor, and he engineered the enactment of vacancy decontrol for New York City's 1,000,000 rent-controlled apartments, as well as the infamous Urstadt Law, named after his housing commissioner, Charles Urstadt. Urstadt, a promi-

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Squats Legal!
City Turns 11 Buildings Over to Tenants

By Annia Ciezadlo

Umbrella House, Serenity, C Squat, Bullet Space: These and seven more of the Lower East Side's last squats are about to come in from outside the law. For the first time since the real-estate boom of the 1980s, the city has agreed to turn renegade tenants into perfectly legal co-op owners.

On August 19, the Urban Homesteading Assistance Board (UHAB), a local nonprofit that helps tenants take over and run their buildings, officially purchased the 11 city-owned buildings for $1 apiece. All 11 buildings have been illegally occupied for years or even decades by squatters—people who moved into city-owned buildings when they were vacant or half-empty, fixed them up and inhabited them by the grace of sweat equity, and without the city's permission.

"For me, 'squatters' means a group of people who don't have a landlord, who are their own landlord," said squatter John Wagner, who lives in Serenity House at 733 East 9th St. "It has to do with people not being thrown out of their house because they don't have their rent on the first."

But to the city, squatters always meant criminal trespassers. From 1989 through 1999, the city's Department of Housing Preservation and Development evicted thousands of squatters, sometimes with riot cops, armored vehicles, even helicopters—especially on the Lower East Side, where squatters welded doors shut and even barricaded streets when the city came to kick them out.

For years, since HPD phased out its sweat-equity homesteading program in the '80s, the city argued that legalizing squatters retroactively—letting them buy the buildings they fixed up themselves—would be rewarding illegal behavior. Now, with UHAB as intermediary, HPD has gone out of its way to protect the squatters: In Umbrella House, the agency even paid to make renovations when the Fire Department declared serious fire-code violations last fall. "That was like, 'Wha? HPD's paying to fix our fire escapes?'" said Umbrella House resident Siobhan Meow.

HPD Commissioner Jerilyn Perine declined repeated requests for an interview. But her spokesperson described the unprecedented cooperation between the squatters and their longtime nemesis as in keeping with HPD's policy of conveying its abandoned properties to "quality nonprofit developers," adding, "We are confident that UHAB will make sure the buildings are rehabilitated and become safe, decent and affordable housing for local residents."

The 200-plus squatters of the Inner City Press Homesteaders, who have installed utilities, new boilers, shared phone lines and community rooms in over a dozen South Bronx buildings, took heart from Loisaida's victory. "If there's a new openness," said Inner City Press publisher Matthew Lee, "there's no reason it should

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Primary Results Bode Well for November

The New York state primary elections on Sept. 10 were successful on a number of fronts. First, the counting was not interrupted by terrorist attack or Republican lawsuit, as in the last two years (although competing factions in the Bronx Democratic party were seeking to knock each other off the ballot until the very last day, and both almost succeeded). The reeling Bronx machine took another loss when its alliance with Republican State Senate majority leader Joseph Bruno (Saratoga Springs) to unseat insurgent Senator Eric Schneiderman failed miserably. Schneiderman won 67% of the vote, despite having to run in a new district after the state legislature approved new lines to reflect population changes in the 2000 U.S. census.

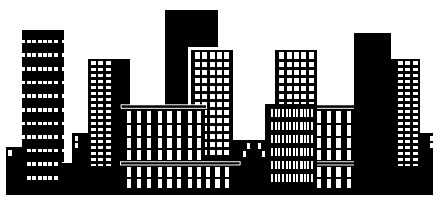
In Brooklyn, the county machine also suffered a humiliating defeat, as efforts by Clarence Norman and Vito Lopez failed to unseat Civil Court judge Margarita Lopez Torres in her re-election bid.

Met Council endorsed both Schneiderman — who stands to be a major leader in the fight to preserve and strengthen rent and eviction protections which expire in June 2003 — and Lopez Torres, whose independence on the bench, including refusal to rubber-stamp eviction warrants, earned her the rare distinction of being an incumbent judge having to win re-election over the opposition of the county machine. The Brooklyn Democratic machine was already facing the embarrassment of a scandal involving judicial shakedowns, as well as the resignation and conviction of City Councilmember Angel Rodriguez over solicitation of bribes in connection with Brooklyn waterfront development. Rodriguez's departure was described as "addition by subtraction" by one key sponsor of Intro 101-A, a bill to strengthen the city's lead-paint law. (see story on page 7).

The most important news of the day, however, may turn out to be that upstate billionaire Thomas Golisano defeated Governor George Pataki in the primary of the tiny Independence Party, which left him poised to carry out his stated intention of spending $50 millions on ads critical of Pataki. A week earlier, Andrew Cuomo's somewhat graceful exit from the Democratic field left state Comptroller Carl McCall poised to carry off an upset victory over Pataki, which would have huge ramifications in the fight to preserve rent regulations. McCall is a supporter of rent and eviction control, while Pataki took office in 1994 promising to do away with them, a threat he has already partly accomplished.

McCall has an excellent chance to pull off an upset in a state in which registered Democrats outnumber registered Republicans by 5 million to 3 million. He won 400,000 more votes statewide when he ran for re-election as comptroller in 1997 than Pataki did when he was re-elected governor the same year. A Marist poll release before the primary showed that Pataki's lead over McCall had dropped from 30% (60-30) in May to only 15% (52-37), and a united Democratic campaign, particularly with effective advertising by Golisano criticizing Pataki's record and ethics, could be the formula for a victory which looked impossible not so long ago. On the other hand, low voter turnout could result in another disaster when the rent laws expire next June.

—Kenny Schaeffer



Squats Legal

continued from page 1

be confined to the east side of Manhattan."

Under the terms of the agreement, UHAB will rehab the buildings, at a cost initially estimated at $4.9 million. Then, each resident will pay a one-time fee of $250 per apartment to a newly formed tenant cooperative, which will own and run the buildings. Though most of the squatters are wary of taking on debt, the arrangement means they are finally free of the fear of being kicked out of their homes.

"The good thing about it is being stable," said Wagner. "If I had to move out, I don't know where I would go in this world."

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HPD CODE VIOLATIONS ON LINE

Look up your building!

At long last, the HPD violations terminal is available on-line. If you go to the HPD Website listed below and follow the instructions, you should be able to get an up-to-date list of violations on a building.

www.nyc.gov/html/hpd/html/data/hpd-online-portal.html

Watch Rent Wars News

the weekly tenants show that covers the news, people, and events that affect New York's tenants.

Brooklyn
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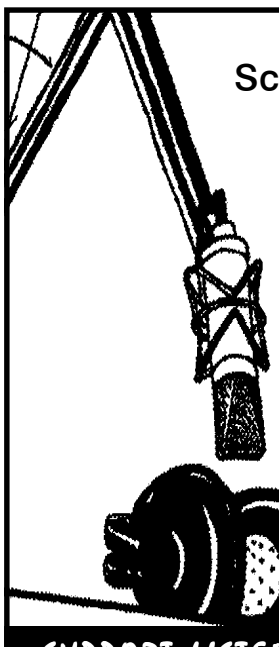
Participate in the RWN Forum, post events, listen to interviews and specials online, and read show supplements that go deeper into the stories covered on the show.



Scott Sommer hosts Met Council's

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Mondays at 8:00 p.m. on WBAI 99.5 FM

Listen on the Internet
www.wbaifree.org/index.html

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EL INQUILINO HISPANO

¿Porqué regular las rentas?

Por Kenny Schaeffer
Traducido por Lightning Translations

Hay una crisis de vivienda en Nueva York. Las rentas se están incrementando de una manera increíble, tanto para la clase baja como para la clase media. ¿Cómo se supone que la gente puede vivir en una ciudad donde la renta de los apartamentos es de $1,000, $1,500 o $2,500 al mes? Las normas para controlar la renta es la única defensa para que las cosas no empeoren. Es evidente que necesitamos nuevas viviendas, pero al debilitar más o eliminar las leyes para controlar la renta y las protecciones contra los desalojos causaría una crisis aun peor.

Los elevados incrementos de rentas, incluso en vecindarios de familias de bajos ingresos, como Harlem, ha causado que aumente la avidez de los propietarios para desalojar a las familias, y así aprovecharse de las enormes sumas que pueden cobrar ahora por los apartamentos vacíos. El aumento desenfrenado de las rentas está teniendo un impacto devastador sobre el programa de la Sección 8, en el cual las subvenciones del gobierno solían exceder lo que los propietarios podían obtener de otra manera, pero ya no se cotejan con las rentas "de mercado."

A pesar de la obvia lógica de regular las rentas en tiempos de una crisis de liquidez sin precedentes y de ganancias en la industria de bienes raíces nunca antes vistas, se ha confundido al pueblo por una campaña de desinformación sobre la regulación de rentas por parte de los caseros, políticos, académicos y las páginas editoriales de los periódicos. Esta confusión ha sido creado para debilitar el deseo político de conservar estas leyes tan necesarias.

Este artículo es el primero de una serie que aparecerá regularmente entre esta fecha y la anticipada renovación de las leyes del Estado de Nueva York sobre rentas y desalojos, que vencerán el 15 de junio del 2003. El propósito es hacer crecer el debate público sobre la necesidad de renovar y reforzar la estabilización de rentas como parte de una estrategia para tratar la cada vez peor crisis de vivienda en la ciudad de Nueva York. La regulación de rentas paga por si misma al detener la pérdida de vivienda asequible, a un costo mucho menor que el de remplazar viviendas perdidas desde sus cimientos. Los cálculos del costo para crear nuevas viviendas superan los $100,000 por unidad, significando que costaría $100 mil millones (excluyendo las economías de escala) para producir el millón de viviendas que la

pasa a la página 4

Los Ajustes de la "Junta de Regulación de Renta" de la Ciudad de Nueva York (Orden No. 34)

Para los contratos de apartamentos de Renta Estabilizada que comienzan el 1ro. de octubre de 2002 hasta el 30 de septiembre de 2003, incluyendo las concesiones de Pataki adoptadas por la Legislatura Estatal el 19 de junio de 1997

Los topes de renta que aparecen en el cuadro son los incrementos máximos que los dueños de edificios pueden cobrar legalmente por los apartamentos de renta estabilizada en la ciudad de Nueva York. Son válidos para todos los contratos que comienzan dentro del período de doce meses a partir del 1ro. de octubre de 2002. Los incrementos de alquiler basados en las pautas para la renovación del contrato de 1 o 2 años pueden cobrarse solamente una vez durante el período cubierto por dichas pautas, y deben ser aplicados a la renta legal estabilizada para el 30 de septiembre de 2002. Las cantidades que aparecen en el cuadro y los incrementos para los apartamentos vacíos no se aplican a los apartamentos que estaban sujetos a renta controlada en aquella fecha. No se permite la sobrecarga también conocido como el «impuesto de pobres.»

Los Contratos para Apartamentos Vacíos o Nuevos En junio de 1997, el gobernador George Pataki, al intentar destruir la regulación de rentas, forzó cambios que les dieron a los caseros una sobrecarga muy grande por los apartamentos vacíos. Una cláusula de la "Reforma al Acta de Regulación de Renta" de 1997 permite que los nuevos alquileres sean incrementados en un porcentaje obligatorio: 20% para un contrato de dos años, y por un contrato de 1 año, 20% de incremento menos la diferencia en el tope de renovación para los contratos de 1 y 2 años. La nueva ley permite también incrementos adicionales para los apartamentos vacíos donde no se habían cobrado incrementos por desocupación por ocho años o más.

Exceso de Cobro Los inquilinos deben estar al tanto de que muchos caseros van a aprovecharse de la complejidad de estas regulaciones y subvenciones, así como del poco conocimiento de los inquilinos del historial de renta de sus apartamentos, para cobrar un alquiler ilegal. Una vez que el inquilino haya tomado posesión del apartamento, puede escoger entre llenar un formulario de queja de exceso de cobro de renta con la oficina de la División de Vivienda y Renovación Comunal (DHCR), o disputar la cantidad de la renta en la corte de vivienda de la ciudad para que se determine cuál es el alquiler legal.

Si un posible inquilino da muestras de conocer sus derechos, lo más probable es que el casero no firmará ningún contrato con tal inquilino. Los caseros evitan contratar con inquilinos que les pueden dar problemas. El exceso de cobro de alquiler es muy común. Todos los inquilinos deben luchar contra posibles excesos de cobro. Obtenga y llene un formulario *Form RA-89* con la oficina de DHCR para determinar el alquiler correcto en los archivos oficiales. Llame a la DHCR a (718) 739-6400 para obtener un formulario, o búsquelo en el sitio www.dhcr.state.ny.us.

La Apelación de la Renta de Mercado Justa Otro tipo de exceso de cobro sucede frecuentemente cuando se vacía un apartamento que previamente estaba sujeto a renta controlada y se alquila con renta estabilizada. La Junta de Regulación de Renta (RGB) establece anualmente lo que ellos llaman el "Tope Especial de la Renta de Mercado Justa," el cual es empleado por la DHCR para bajar las rentas de mercado injustas de los inquilinos que llenan el formulario llamado "Apelación a la Renta Justa de Mercado" (FMRA). Según la Orden 34, es la Renta de Mercado Justa de HUD o un 50% sobre la renta base máxima. Ningún inquilino de un apartamento de renta estabilizada que fue descontrolado el 1ro de abril de 1984 o después debe dejar de poner a prueba la llamada "Renta Legal Inicial Regulada" (renta de mercado) que los caseros cobran cuando hay descontrol del apartamento. Use el formulario de DHCR *Form RA-89*. Indique claramente que su queja es tanto una queja de "Apelación a la Renta Justa de Mercado" como de "exceso de cobro." La corte de vivienda no puede tomar decisión sobre una Apelación de Renta de Mercado. Apartamentos vacíos que antes estaban controlados en edificios que se han convertido en cooperativas o condominios no se vuelven estabilizados y no satisfacen los requisitos para la Apelación de la Renta Justa de Mercado.

Exención de Incrementos para las Personas de Mayor Edad: Las personas de 62 años o más que viven en apartamentos estabilizados y cuyos ingresos familiares anuales son de $20,000 o menos, y que pagan (o enfrentan un incremento de alquiler que los forzaría a pagar) una renta de un tercio o más de sus ingresos, pueden tener derecho al programa de Exención de Incrementos para las Personas de Mayor Edad (SCRIE, por sus siglas en inglés), si aplican al Departamento de la Ciudad de Nueva York Sobre las Personas de Mayor Edad, cuya dirección es: SCRIE Unit, 2 Lafayette Street, NY, NY 10007. Si el alquiler actual de un inquilino que tiene derecho a este programa sobrepasa un tercio del ingreso, no se lo puede reducir, pero es posible evitar incrementos de alquiler en el futuro. Obtenga el formulario de SCRIE por llamar al (212) 442-1000.

Unidades de Desván (Lofts) Los incrementos legales sobre la renta base para las unidades de desván son de un 1 por ciento por un contrato de un año y un 2 por ciento por un contrato de dos años. No se permiten incrementos para las unidades de desván vacías.

Hoteles y Apartamentos de una Sola Habitación No habrá ningún aumento de la renta este año para los apartamentos de hotel de Clase A, casas de habitaciones, hoteles de clase B (de 30 habitaciones o más), hoteles de una sola habitación, y las casas de habitaciones (Clase B, 6-29 cuartos). No se permiten incrementos para apartamentos vacíos.

La Desregulación de Rentas Altas y Altos Ingresos (1) Los apartamentos que legalmente se alquilan por $2,000 o más por mes y que se desocuparon entre el 7 de julio de 1993 y el 1ro. de octubre de 1993, o en o desde del 1ro de abril de 1994 son sujetos a la desregulación. (2) La misma desregulación se les aplica, para el mismo período establecido en (1), a los apartamentos que legalmente pagan $2,000 o más mensualmente aunque no se desocupen, si el ingreso total de la familia es más de $175,000 en los dos años consecutivos previos. Para cumplir los requisitos de esta segunda forma de desregulación, el casero tiene que enviarle un formulario de certificación de ingreso al inquilino entre el 1ro de enero y el 1ro de mayo, así como someter dicho formulario al DHCR y conseguir su aprobación.

Para pautas previas, llame a la RGB al 212-385-2934 o busque el sitio www.housingnyc.com.

Tipo de Contrato	Renta Legal Actual		Contrato de 1 Año	Contrato de 2 Años
Renovación del Contrato	Todas		2%	4%
Contratos para Apartamentos Vacíos	Más de $500	Incrementos por desocupacíon cobrados en los últimos 8 años	18%	20%
		Incrementos por desocupacíon no cobrados en los últimos 8 años	0.6% por el número de años desde el último incremento por estar vacío, más el 18%	0.6% por el número de años desde el último incremento por estar vacío, más el 20%
	Menos de $300	Incrementos por desocupacíon cobrados en los últimos 8 años	18% + $100	20% + $100
		Incrementos por desocupacíon no cobrados en los últimos 8 años	0.6% por el número de años desde el último incremento por estar vacío, + 18% + $100	0.6% por el número de años desde el último incremento por estar vacío, + 20% + $100
	Renta de $300 a $500	Incrementos por desocupacíon cobrados en los últimos 8 años	18% o $100, lo que sea mayor	20% o $100, lo que sea mayor
		Incrementos por desocupacíon no cobrados en los últimos 8 años	0.6% por el número de años desde el último incremento por estar vacío, mas 18%, o $100, lo que sea mayor	0.6% por el número de años desde el último incremento por estar vacío, mas 20%, o $100, lo que sea mayor

Rentas

viene de la página 3

ciudad necesitaría para solucionar la crisis.

La suposición básica es que la crisis de vivienda puede solucionarse, debe solucionarse, y por lo tanto será solucionada. Los lectores están para responder y comenzar o unirse a discusiones acerca de las protecciones sobre rentas y desalojos entre sus familias, compañeros de trabajo y amigos. Una de las maneras en que el cabildeo de los caseros gana es por medio de una campaña de desinformación y esfuerzos de tranquilizar al pueblo, embaucando a demasiada gente a la inactividad. El 7 de noviembre los electores en Nueva York votarán para elegir toda la legislatura estatal y al gobernador que decidirán el destino de las protecciones sobre rentas y desalojos el año próximo. Úsalo o lo perderás – ¡no tenemos nada que perder más que nuestros hogares!

Porqué regular las rentas: la mano invisible

En dos palabras, la necesidad y la codicia. Nadie puede negar que la vivienda es una necesidad básica (y por lo tanto, un derecho humano), junto con la comida, el cuidado médico y un salario que cubra la canasta básica. La obligación del gobierno para ayudar a satisfacer la necesidad de vivienda sigue siendo ley tanto de los Estados Unidos, como aparece en la Ley Nacional de Vivienda de 1949, y del Estado de Nueva York. La ley de Protección de Emergencia para los Inquilinos de 1974 hace los siguientes "determinaciones legislativas": "una grave situación de emergencia pública continúa existiendo en la vivienda de un considerable número de personas en el Estado de Nueva York...la acción protectora de la legislatura continúa siendo imprescindible para prevenir exacción de rentas y acuerdos de alquiler injustos, irrazonables y opresivos y para evitar explotación, especulación y otras prácticas perjudiciales que tienden a producir amenazas a la salud pública, la seguridad pública y el bienestar general."

El debate acerca de debilitar o reforzar las protecciones de rentas y desalojos es una característica permanente en una sociedad que espera que los propietarios de bienes raíces particulares proporcionen viviendas a familias de bajos ingresos. Pero este debate está tomando lugar ahora en un contexto nacional que supone la desregulación y privatización de todo, desde las líneas aéreas y bancos hasta las escuelas y prisiones. El escándalo Enron promete informar al debate acerca de las regulaciones de renta ya que ha revelado lo vacíos que son los mitos del mercado libre. Se ve a Adam Smith con una mano invisible en nuestros bolsillos y la otra tomándose de la mano con Joe Bruno.

Este cerdito fue al mercado: una breve historia

La última batalla total sobre la regulación de rentas en Nueva York – aun mayor que la confrontación de 1997 – ocurrió en 1971. Nelson Rockefeller era gobernador, y él elaboró la aprobación de las leyes de descontrol de rentas para un millón de apartamentos de renta controlada en la ciudad de Nueva York, así como la infame ley Urstadt, bautizada con el nombre del comisionado de vivienda, Charles Urstadt. Urstadt, un prominente casero de la ciudad de Nueva York, se desempeñó más adelante como miembro del equipo de transición de George Pataki en 1995, prometiendo el fin de la regulación de rentas. La ley Urstadt de 1971 le quita al gobierno de la ciudad el derecho de legislar por su propia cuenta sobre las protecciones y desalojos, al prohibir que el Concejo de la ciudad extienda los controles de renta a viviendas no reguladas o sujete a viviendas actualmente reguladas a regulaciones "más severas."

Los cabilderos y abogados de los caseros declaran que la ley Urstadt prohíbe cualquier acción de la ciudad que reduzca sus ganancias, como por ejemplo exigir que la Junta de Regulación de Renta (Rent Guidelines Board, RGB por sus siglas en inglés) deje de aprobar incrementos automáticos en base a su índice de costos operativos de los caseros. Si la RGB obedeciera el verdadero intento de la ley de estabilización de rentas, también consideraría la capacidad de los inquilinos para pagar y los rápidos aumentos en las ganancias de los caseros.

La constante debilitación de las regulaciones, que para comenzar estaban llenas de evasivas, se inició con el tomo de poder administrativo por parte del estado en 1984, y ha continuado a rachas desde entonces. Las estipulaciones mutuamente actuantes aprobadas en la ocasión de la renovación más reciente de la ley, in 1997, les dieron enormes incentivos a los propietarios para desplazar a los inquilinos en ese tiempo, y también facilitó hacerlo al debilitar la capacidad de los inquilinos para defenderse por sí mismos contra el desalojo, quejarse de hostigamiento o resistir incrementos impagables de renta. Una de las peores "dosis de veneno" insertadas en la ley de estabilización de renta entre 1993 y 1997 fue la desregulación de apartamentos que se alquilan por $2,000 o más, sin tomar en cuenta la renta previa y aun cuando el inquilino está pagando una "renta real" más baja. Las excepciones son los raros casos de inquilinos con tanto los recursos como el tiempo para impugnar un índice de fraude estimado en más de 50 por ciento en la desregulación de renta.

En 1971, como ahora, los llamados para la desregulación fueron acompañados por elegantes estudios prometiendo que el mercado libre funcionaría si las restricciones artificiales se eliminaran gradualmente. En lugar de esto, de acuerdo a las determinaciones legislativas tres años más tarde, después de que más de 400,000 unidades fueron desreguladas en solo tres años, el desplazamiento y el hostigamiento se incrementaron. A pesar de las promesas de que las rentas más altas conducirían a un mejor mantenimiento, el mantenimiento en realidad declinó marcadamente mientras estalló el abandono de edificios. En 1974, la legislatura estatal aprobó la Ley de Protección de Emergencia para los Inquilinos, llevando a todos los apartamentos descontrolados bajo la estabilización de rentas.

Sin depósito ni devolución

Hasta 1984, la ley para estabilización de rentas era administrada por la propia Asociación de Estabilización de Rentas, la cual ahora como entonces es el agente principal de la industria de bienes raíces trabajando para la desregulación. Al principio de la década de los 70, la RSA fue a la corte, financiada con dinero que había cobrado por medio de cuotas de los propietarios para administrar el sistema de estabilización de rentas, y buscó revocar la ley como inconstitucional, porque delegaba la autoridad gubernamental inapropiadamente a una entidad privada – ella misma. La asociación perdió el pleito.

Más recientemente, la RSA entabló una demanda federal reclamando que la corte de vivienda no estaba desalojando a las familias lo suficientemente rápido. Y esta vez, la asociación ganó. Uno de sus reclamos era que la corte no estaba ejercitando con suficiente frecuencia su discreción para desalojar a las familias pobres sin una audiencia en caso de no tener todo el dinero que el casero reclamaba como en mora.

El remedio del "depósito de renta" fue hecho obligatorio en muchas situaciones por la legislatura estatal y el gobernador Pataki en 1997, y contribuye ahora al total de más de 26,000 familias desalojadas cada año en la ciudad de Nueva York. El despacho del vocero de la asamblea Sheldon Silver explicó a los compañeros demócratas del vocero que el depósito de renta era tan claramente inconstitucional que ellos no tenían porqué dudar en votar por él, ya que seguramente sería rechazado por los tribunales. Así es, la estipulación priva a los ciudadanos de sus derechos de propiedad y de procedimiento, sin una audiencia y sin ninguna relación racional al cualquier propósito legítimo del gobierno – el desalojo de inquilinos de bajos ingresos conlleva a una abrupta escalada en las rentas y una reducción significativa en la cantidad de viviendas para familias de bajos ingresos en momentos en que la falta de aquellas es ya crítica y la ciudad ha recibido una orden de la corte para que proporcione vivienda a los desamparados. Pero los tribunales no revocaron la ley. En su lugar, se falló que la ley necesitaba una determinación constitucional caso por caso. Esto normalmente jamás ocurre para el 90 por ciento de familias de bajas ingresos que no pueden obtener representación legal cuando enfrenten un desalojo.

Conservar y reforzar las protecciones sobre rentas y desalojos sigue siendo la piedra angular de cualquier política para revertir la cada vez peor crisis de vivienda. Y a diferencia de 1997, las leyes deben ser renovadas sin más evasivas ni modificaciones debilitantes. Si las regulaciones de renta no son reforzadas en 2003, la crisis de vivienda en Nueva York pronto llegará al punto de no volver atrás.

El próximo mes: ¿qué está en juego en los comicios? Las lecciones de Massachusetts y California.

Lower East Side Residents
SAVE THE DATE—Sept. 18!

Write & Testify Vs. Luxury Tower Planned for Houston & Ludlow Streets

The Lower Manhattan Anti-Displacement Coalition (LMADC) and local residents are organizing to stop a 23-story luxury tower from rising at Houston and Ludlow Streets in Manhattan (across from Katz's Deli). We are asking everyone and their organizations for letters in opposition to the tower and to testify at the public hearing, scheduled for September 18 at 10 a.m.

PUBLIC HEARING:
Board of Standards and Appeals
40 Rector St., 6th Floor
Wednesday, September 18, 10 a.m.
1/9 to Rector St. or 4/5
to Wall St. & walk west

SEND LETTERS TO:
Board of Standards and Appeals
(Re: BSA # 189-00-BZ)
James Chin, Chairman
40 Rector St., 9th Fl.
New York, NY 10006

The lot in question is owned by Edison Parking, who want to build a 23-story "market rate" housing complex with rents from $2,000 and $5,000 a month. Despite issues of displacement, overcrowding, pollution, and significant structural and environmental concerns regarding the proposed building foundation, the Board of Standards and Appeals has already approved this project once. The project was halted by a lawsuit brought on behalf of LMADC by MFY Legal Services, but the judge has remanded it back to the Board of Standards and Appeals for reconsideration. We must renew our efforts to make sure the BSA does not approve the tower a second time!

For more information about the hearing or to get involved to stop the tower, contact LMADC, c/o GOLES at (212) 533-6727.

The Mitchell-Lama Paradox:

Visionary Program for Affordable Housing or Profiteering at Taxpayers' Expense

By James Kemp

"We've been left out in the cold," concludes Brooklyn resident Anita Karl, as she reviews her three-year struggle to hold on to her studio apartment at the edges of voraciously gentrifying Brooklyn Heights.

She and other tenants of 20 Henry St., a 42-unit rental property owned by the Penson Corporation of the Bronx, have been fighting their landlord's attempt to buy out of the tax-abated Mitchell Lama program and "go market" since August 1999. Karl and the other tenants, many in their sixties and on limited or fixed incomes, face de facto eviction, as their rents would balloon to $3,000 or more per month. The landlord claims he is simply exercising his contractual right to rent-gouge.

Across the street and down the block, tenants of another Mitchell-Lama project, a high-rise co-op, face quite a different scenario. There the champagne corks are popping, as residents who paid as little as $4,000—and no more than $12,000—for multibedroom coops are now selling out for over $500,000.

Both projects are part of the same urban-renewal project promulgated in the early '60s as a great and necessary public good—to provide affordable housing for middle- and low-income tenants. The wildly divergent contrast between the fates of tenants from essentially the same background convincingly exposes the fatal flaw built into the Mitchell-Lama program—the "buyout clause." Because of this "incentive" loophole, landlords—and tenant-owners—are allowed to make obscene profits, while withdrawing thousands of units of taxpayer-financed affordable housing from the city's stock. Tenants paying rent in buildings occupied after January 1, 1974, find themselves priced out of neighborhoods that they have helped build, often over the course of 25 years or more.

Such is the case at 20 Henry St., a building whose history poignantly illustrates the failed promise of the Mitchell-Lama program. A warehouse and chocolate factory built in 1870, it stood deserted and was marked for demolition as part of the Cadman Plaza Urban Renewal Plan of the early 1960s. Thanks to the intervention, vision, and perseverance of progressive architect Lee Pomeroy and the late Congressman Fred Richmond, a proposed parking lot became the first government-sponsored artists' live/work housing plan in the city. In 1975, the Middagh Street Studio Apartments became a functional reality.

The moderate-sized studio apartments were designed as open-plan spaces which artists working in various media could adapt to their needs. A photography darkroom, common gallery space, and a sculpture garden were also included in the building, giving the residents a means of connecting culturally with the surrounding community. The tenants helped turn what was then a neglected part of Brooklyn Heights into a safe, pleasant, creatively vital community. Yet after just one year—and in violation of all the landlord's contracts and agreements with the city—artists were no longer given priority in their applications for tenancy.

Still, at least a third of the current tenants are working artists, struggling to maintain the reality of the building's original intended use. Only under pressure from the tenants and their lawyer did the city Department of Housing Preservation and Development finally acknowledge, on October 19, 2000, that the landlord had not only been warehousing apartments—and illegally residing in one of them—but more importantly, that all vacant apartments should, by right, be filled with qualified artists from the building's external waiting list. Since then, six artists have moved in.

The tenants have joined together and fought back, but the fight has taken its toll in time, energy, and legal costs. They have received active support from State Senator Martin Connor, Assemblymember Joan Millman, Borough President Marty Markowitz, and Councilmember David Yassky. On the advice of Assemblymember Vito Lopez, they went to Albany three times bill to lobby for a bill that would help them. It passed the Assembly 145-0, but went nowhere in the Republican-dominated State Senate.

Before Rudolph Giuliani was elected mayor, HPD sided with Mitchell-Lama tenants against questionable buyouts (e.g., *Columbus Park Corp. v. HPD*, 1992), with the city instead of the tenants picking up the legal costs of court cases. When Giuliani took office, that changed. At a May 22, 2000, hearing, HPD Deputy Commissioner Julie Walpert told the City Council that Mitchell-Lama developers could be in violation of many, if not all, aspects of their contracts with the city—but as long as they found the financing to pay back the mortgage to the city, they could buy out of the program, no questions asked. Promises Walpert made during that Council hearing—in particular that, after a buyout, senior citizens and low-income residents would have protections similar to those enjoyed by rent-stabilized tenants—have never materialized.

On Jan. 15, the Penson Corporation officially announced that the 20 Henry Street buyout was imminent, at a meeting with the tenants and many elected officials. Negotiations between tenants and the landlord reached an impasse after three meetings. The landlord's offers, such as a 25% rent increase the first year, followed by a 40% rent hike the next, and then market rates of $2,000, $3,000, or more per month by the third year, would have meant de facto eviction for all current tenants.

As their case goes forward, the tenants will be raising many potentially precedent-setting issues. The tenants claim, for instance, that although clauses in the landlord's contract with the city state that 20% of the apartments must be rented to low-income tenants, Penson has never made an active effort to bring such tenants into the building.

The tenants' case also scrutinizes the misleading wording of current HPD regulations, which clearly — and in considerable detail—state that after a buyout, rent-stabilization regulations would apply. Never is it stated that buildings completed after January 1974 are not subject to rent stabilization, and would therefore be allowed to charge market rents after a buyout. The regulations also state that after a buyout, senior citizens would receive benefits, such as SCRIE, that rent-stabilized tenants could expect. According to HPD, this would not be the case for the elderly tenants of 20 Henry Street.

"Over the years, the landlord and the regulatory agencies in charge of overseeing this housing program (HPD, HUD, and DHCR) have systematically misled tenants into believing that their apartments would go into rent stabilization after a buyout," says Karen Zebulon, a resident and tenant leader. "This is even stated in *current* HPD Mitchell-Lama regulations." For instance, in 1990, tenants meeting with Philip Treibman, a HUD supervisor in charge of the 20 Henry Street project, were told unequivocally that the building would enter rent-stabilization after a buyout. To confuse the issue even further, for many years the landlord gave tenants leases that clearly conferred rent-stabilized status on their apartments.

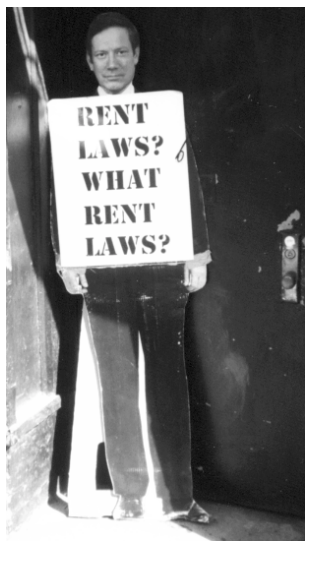
It is now up to the courts to sort out the facts. And the tenants have dug in for the long haul, determined to have their say and their day in court.

James Kemp is a tenant leader at 20 Henry St.

Get on the Bus!

Picket George Pataki at His Home Before He Destroys Yours!

Saturday, September 28, 1:00 - 3:00 p.m.
in front of Pataki's estate in Garrison, New York



Join tenants from across the city and state as we call for the renewal of the rent laws and rally against the anti-tenant administration of Governor George Pataki.

Buses will leave from Manhattan that morning, returning early evening. Call (212) 979-6238 ext. 6 for details and to purchase bus tickets.

The rent-stabilization and control laws, which protect over 2.3 million New Yorkers, must be renewed by the state legislature in June 2003. Governor Pataki ignored a push to renew the rent laws this year, and greatly damaged them in 1997 and 2000. We must bring the true record of this administration to light. Let's show George we will not be ignored!

Tax-Exempt Funding for Luxury Housing on WTC Site?

By Jenny Laurie

More than a year after the destruction of the World Trade Center, the debate over what to build on the site continues to rage. Particularly hot is the debate over what kind, if any, housing will be built in lower Manhattan.

Currently, the only plans for housing on or near the site depend on funding from $8 billion in tax-exempt Liberty Bonds authorized by Congress shortly after the Sept. 11 attacks and soon to be issued. Governor Pataki and Mayor Bloomberg each have $800 million of this money to allocate for housing.

The first proposal, from the governor's share and issued through the New York State Housing Finance Agency (HFA), included plans for two luxury buildings in Battery Park City. Advocates and organizers angered by that formed the Liberty Bond Housing Coalition, now made up of community groups, labor unions, and affordable-housing advocates, and vociferously attacked the proposal. After a hastily called hearing in early summer, it was pulled for "more study."

According to Vic Bach of the Community Service Society, using the taxpayer-supported bonds for luxury housing in the first round "sets a disastrous precedent" and squanders the rare opportunity to develop affordable housing. The proposal had allocated 95% of the 562 apartments for luxury housing and 5% designated as affordable housing—with the latter units "affordable" to households with incomes up to $93,000.

In remarks before an HFA hearing on the proposal, Margaret Hughes, director of Good Old Lower East Side, pointed out that the governor's plan to use Liberty Bonds for luxury housing in Lower Manhattan would not only fail to provide affordable housing, but by adding to the supply of luxury housing, threatens current residents of Chinatown and other low-income areas with gentrification and displacement.

At the end of August, Common Cause New York, a good-government group, issued a report severely criticizing blatant favoritism in the state's plans for the Liberty Bonds. The report said HFA's preliminary approval was awarding most of $340 million to Related Companies (Steven Ross) and Glenwood Management/Liberty Street Realty (Leonard Litwin)—both major contributors to Pataki and the state Republican Party. Together the companies had donated close to a half a million dollars to state campaigns since 1999, and over $200,000 to city candidates since 2001.

Under this hail of criticism, final approval was delayed by the Public Authorities Control Board by Assembly Speaker Sheldon Silver (who sits on the board) and state Comptroller Carl McCall (who has an advisory role with the board), who were responding to appeals to community residents and elected officials for more affordable housing. City Councilmember Alan Gerson, who represents lower Manhattan, thanked Silver for asking that the public be provided with more time to review the proposals and more financial information. The original hearing on the project had been planned with only one day's notification. Many of the critics are asking that HFA go above its regular 80/20 standard for financing housing—80% market-rate units, and 20% affordable to people at or below half the median income in the area.

Good Jobs NY's "Reconstruction Watch" project has also criticized several other aspects of the Liberty Bonds plan. Their material points out that tax-exempt financing for private development (whether commercial or residential) is almost always suspect. Cost/benefit analyses of these projects are rarely performed, it says, so the public never really knows whether or not there is any full public benefit. The people who truly benefit from these bonds are their buyers, high-income investors who use them to shelter income from local, state and federal taxes. In

conttinued on page 7

NYC Rent Guidelines Board Adjustments (Order No. 34)

for Rent Stabilized Leases commencing Oct. 1, 2002 through Sept. 30, 2003, including the Pataki vacancy bonuses adopted by the State Legislature on June 19, 1997

This rent guidelines table shows the maximum increases landlords in New York City can legally charge for rent stabilized apartments on all leases commencing in the twelve-month period beginning October 1, 2002. Increases in rent based on the 1- or 2-year renewal guidelines can be charged only once during the period covered by the guidelines, and must be applied to the legal stabilized rent on September 30, 2002. The above guidelines and vacancy bonuses do not apply to an apartment which was rent controlled on that date. There is no low rent supplement, a.k.a. poor tax, allowed.

Lease Type	Current Legal Rent		One-year Lease	Two-year Lease
Renewal Leases	All		2%	4%
Vacancy leases	More than $500	Vacancy allowance charged within last 8 years	18%	20%
		No vacancy allowance charged within last 8 years	0.6% times number of years since last vacancy allowance, plus 18%	0.6% times number of years since last vacancy allowance, plus 20%
	Less than $300	Vacancy allowance charged within last 8 years	18% plus $100	20% plus $100
		No vacancy allowance charged within last 8 years	0.6% times number of years since last vacancy allow–ance, plus 18% plus $100	0.6% times number of years since last vacancy allow–ance, plus 20% plus $100
	Rent $300 to $500	Vacancy allowance charged within last 8 years	18% *or* $100, whichever is greater	20% *or* $100, whichever is greater
		No vacancy allowance charged within last 8 years	0.6% times number of years since last vacancy allowance, plus 18%, *or* $100, whichever is greater	0.6% times number of years since last vacancy allowance, plus 20%, *or* $100, whichever is greater

Sublease Allowance

Landlords can charge a 10 percent increase during the term of a sublease that commences during this guideline period.

Vacancy Leases

In June 1997, Governor George Pataki, as a part of his efforts to destroy rent regulation, forced changes that gave landlords large vacancy bonuses. Provisions of his Rent Regulation Reform Act of 1997 allow the rents of apartments to rise by a statutory percentage: 20 percent for a 2-year lease, and 20 percent minus the difference between the 1- and 2-year renewal guidelines for 1-year leases. The new law also allows additional vacancy increases for apartments which have had no vacancy allowance in eight or more years.

Rent Overcharges

Tenants should be aware that many landlords will exploit the complexities of these guidelines and bonuses, and the tenant's unfamiliarity with the apartment's rent history, to charge an illegal rent. The tenant can choose between filing an overcharge complaint with the Division of Housing and Community Renewal or challenging the rent in Housing Court to get a determination of the legal rent.

A prospective tenant who expresses knowledge of their rights will probably not be given a lease to sign. Landlords avoid renting to tenants who may be troublesome. Overcharging is very common. Every tenant should challenge possible overcharge. With DHCR, obtain and fill out *Form RA-89* to determine the correct rent from official records. Call DHCR at (718) 739-6400 to obtain the form or go to: www.dhcr.state.ny.us

Fair Market Rent Appeal

Another type of overcharge frequently occurs at the time that a previously rent controlled apartment becomes vacant and is re-rented as a stabilized unit. The Rent Guidelines Board annually sets what they call the "Special Fair Market Rent Guideline" that is used by DHCR to lower unfair market rents for tenants who file the Fair Market Rent Appeal (FMRA). Under Order 34, it is HUD Fair Market Rent or 50% above the maximum base rent. No stabilized tenant of an apartment that was decontrolled on or after April 1, 1984 should fail to challenge the so-called Initial Legal Regulated Rent (market rent) that landlords charge upon decontrol. Use DHCR *Form RA-89*. Indicate clearly that your complaint is both a complaint of "overcharge" and "Fair Market Rent Appeal." The Housing Court cannot determine a Fair Market Rent Appeal. Formerly controlled vacant apartments in buildings converted to co-ops or condos do not become stabilized and are not eligible for a Fair Market Rent Appeal.

Senior Citizen Rent Increase Exemption

Rent stabilized seniors, 62 years or older, whose disposable annual household income is $20,000 or less and who pay (or face a rent increase that would cause them to pay) one-third or more of that income in rent may be eligible for a Senior Citizen Rent Increase Exemption (SCRIE) if they apply to the NYC Dept of the Aging, SCRIE Unit at 2 Lafayette Street, NY, NY 10007. If an otherwise eligible tenant's current rent level is already above one-third of income, it cannot be rolled back, but future rent increases may be avoided. Obtain the SCRIE application form by calling (212) 442-1000.

Loft Units

Legalized loft unit increases above the base rent are 1 percent for a one-year lease and 2 percent for two years. No vacancy allowance is permitted on vacant lofts.

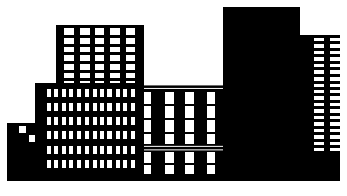
Hotels and SROs

There will be no rent increases this year for Class A apartment hotels, lodging houses, Class B hotels (30 rooms or more), single room occupancy (SROs) hotels, and rooming houses (Class B, 6-29 rooms). No vacancy allowance is permitted.

High-rent, High-income Deregulation

(1) Apartments legally renting for $2,000 or more a month that became vacant from July 7, 1993 through October 1, 1993, or on April 1, 1994 and thereafter are subject to deregulation. (2) The same deregulation applies in the time periods set forth in (1) above to apartments legally renting for $2,000 or more a month without their becoming vacant if the total household income exceeds $175,000 in each of the prior two consecutive years. To be eligible for this second form of deregulation, the landlord must send an income certification form to the tenant between January 1 and May 1 and file it with and get the approval of DHCR.

For previous guidelines call the RGB at 212-385-2934 or go to www.housingnyc.com.



City Kids Need More Lead Tests

Lead-poisoning levels among the city's kids have dropped drastically over the last five years, a report released by the city's Department of Health and Mental Hygiene announced in late August. But with health officials failing to enforce testing for the condition among almost half of the city's toddlers—a violation of state law—health advocates say the rates are really much higher.

According to the city's report, lead poisoning among children in New York City between 6 months and 6 years old declined by 65% from 1995 to 2000. The study also found, however, that only 56% of one- and two-year-olds are screened, despite state laws requiring tests at both ages. If those untested children were taken into account, the New York Public Interest Research Group, which completed its own study in June, finds that about 12,000 children were poisoned in 2000, nearly double the city's figures.

"Obviously a lot of kids are being missed," said Matthew Chachere of the New York City Coalition to End Lead Poisoning (NYCCELP), which has pushed for stronger lead laws for years.

Deborah Nagin, director of the Lead Poisoning Prevention Program at the city's health department, said so many kids go untested because of "both parents and doctors who think it's no longer a problem." Her office plans to run more public education and outreach campaigns in high-risk neighborhoods—Brooklyn and parts of Queens are particularly hard hit—and among families and doctors.

Meanwhile, NYCCELP plans to file a lawsuit against the state for neglecting to test children insured by Medicaid. Calls to the state Department of Health were not returned by press time.

NYPIRG and NYCCELP are also supporting City Council legislation, Intro 101, which requires that the city health department make sure 75% of children under age 2 are tested for lead by 2003 and 90% by 2005. If those goals are not achieved, the bill says, the city will have to submit a plan to the Council explaining how it will meet those mandates.

The bill is sponsored by more than half of the members of the City Council, but it has not yet had a public hearing.

—Socheata Poeuv

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Improved Lead-Paint Law Moves Slowly in Council

A bill intended to correct the drastic weakening of the city's lead-paint regulations in 1999 has been bottled up in committee in the City Council since January, but action may be coming this fall. Under pressure from the Council's Black and Hispanic Caucus, Speaker Gifford Miller has agreed to hold a joint hearing on lead poisoning before both the Health and the Housing & Buildings committees. The hearing will take place Nov. 6, the day after Election Day.

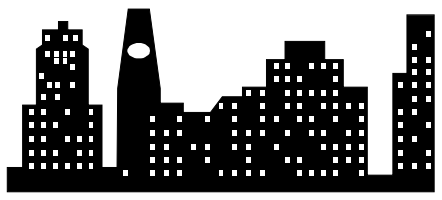
When Intro 101-A, the Childhood Lead Poisoning Prevention Act, was first introduced in January, Miller, in one of his first actions as speaker, ignored the advice of doctors from around the country that he refer the bill to the Health Committee. Instead, he sent it to the housing committee, chaired by Madeline Provenzano, a Bronx machine Democrat who, like Miller, voted for the gutted 1999 law.

Following intense lobbying by both the landlords' Rent Stabilization Association and the New York City Coalition to End Lead Poisoning, the 26-member Black and Hispanic Caucus voted overwhelmingly to make Intro 101-A a priority. "Of the over 12,000 children who are poisoned, 95% are in communities of color," caucus co-chairs Helen Foster (D-Bronx) and Hiram Monserrate (D-Queens) wrote Miller on July 30. "We believe that Intro 101-A is the answer."

Meanwhile, NYCCELP has filed a motion to continue its lawsuit against the 1999 law, charging that it failed to examine the health effects of ignoring lead-paint dust, now recognized as the primary cause of childhood lead poisoning.

—Kenny Schaeffer

We urge readers to contact Speaker Miller and their own Councilmembers to demand passage of Intro 101-A before more children are needlessly poisoned, and to attend the hearing on Nov. 6. For more information, call (212) 979-6238 ext. 3.



Tenants Challenge Owner-Occupancy Evictions

By Colleen F. McGuire

Five Upper West Side tenants facing eviction have filed a lawsuit in federal court, arguing that the state law that lets landlords throw tenants out if they want the apartment for their own personal use is unconstitutional.

Specifically, the five are contending that the law violates their right to equal protection, because it bars landlords in the suburban counties it covers from taking over apartments from tenants who've lived there for more than 20 years, but doesn't stop landlords in New York City from doing the same.

Owner-occupancy proceedings are very popular grounds for eviction these days. Why? Because, by and large, it is the only way a tenant who has done no wrong can be evicted. A landlord need only show that in "good faith" he or she intends to occupy the apartment as their primary residence or the primary residence of an immediate family member. Landlords are not prohibited from acquiring more than one unit, and in fact, it is not unusual to find landlords emptying an entire building of its residents. Landlords are not obligated to take a vacant deregulated apartment in the building if there is one available, but instead are allowed to recover a regulated tenant's apartment, live in it for a mere three years, and then transform it into yet another deregulated unit.

Another abuse sanctioned under the Rent Stabilization Law's owner-occupancy provisions is the eviction of tenants who have occupied their homes for greater than 20 years. Long-term tenants provide neighborhoods with history, continuity, diversity, and cohesion. Long-term tenants are the stabilizing components of a community, anchoring an urban environment increasingly in flux.

Peter and Marie Armstrong of West 87th Street, Sylvia Taubman of West End Avenue and Davis Hall and Ingrid Price of West 95th Street are long-term tenants of rent-stabilized apartments who are currently subject to eviction proceedings in Housing Court from their respective homes on owner occupancy grounds. The Armstrongs' landlord left 30% of the building vacant for ten years. Hall and Price's landlord seeks to empty to the entire building for personal use. Taubman's landlord owns numerous viable vacant apartments. Yet, New York State law does not protect these tenants from eviction on owner-occupancy grounds.

On August 27, these five tenants filed a federal lawsuit challenging the owner-occupancy provisions of the Rent Stabilization Law. The tenants (or their spouses) moved in to their apartments between 1971 and 1974, a period when rent stabilization did not exist. Housing chaos and oppressive rents ruled. As a result, a state law, the Emergency Tenant Protection Act of 1974, was enacted. It gave rent-stabilization protection to tenants in New York City and Rockland, Westchester and Nassau counties.

The regulations enacted pursuant to the ETPA forbid owner-occupancy proceedings against the disabled, senior citizens and tenants who have occupied the same apartment for more than 20 years. However, in the Armstrongs' case, the state Appellate Term interpreted the ETPA regulations to cover only rent-stabilized tenants in suburban counties. The courts have ruled that ETPA rent-stabilized tenants (i.e., tenants in apartments decontrolled between 1971 and 1974) inside New York City are protected in owner-occupancy proceedings only if they are seniors or disabled. Long-term ETPA rent-stabilized tenants inside the city were—unlike their counterparts in the suburbs and for no rational basis—precluded from protection.

The five plaintiffs are arguing that this disparity between the city and suburbs makes the owner-occupancy provisions of the rent-stabilization law unconstitutional, because it violates their rights to equal protection under the law. The lawsuit is limited in focus to pursuing the equal-protection claims only of ETPA rent-stabilized tenants.

"The primary rationale for prohibiting evictions against long-term tenants is to preserve the continuity of a community's constituency and character," says Peter Armstrong. "New York City tenants are equally desirous to live in cohesive neighborhoods comprised of residents who have long-term roots, pride and interest in their communities."

Colleen F. McGuire is an attorney for the five tenants in the suit.

WTC

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theory, the developers who receive the financing will pass on the savings in their financing costs to tenants. In practice, as was seen in the initial Liberty Bond proposal, there is no guarantee that they will.

As many critics of the initial Liberty Bond proposal noted in different ways, what is the point of providing taxpayer-assisted financing to developers for luxury housing—why not let them use conventional financing when public money is desperately needed for affordable housing in New York?

City Council Speaker Gifford Miller has scheduled a press conference and hearing on Liberty Bonds for Sept. 18 or 19. Call the Speaker's office to confirm: (212) 788-7210. Met Council urges tenants to testify in favor of requiring that a minimum of 35% of the units in all Liberty Bond housing projects be set aside for low and moderate income tenants.

For more information: www.recontructionwatch.org, www.reconstructionreport.org; www.goodjobsny.org.

Rents

continued from page 1

nent New York City landlord, later served on the transition team of George Pataki in 1995, promising to end rent regulation. The 1971 Urstadt Law deprives the city government of home rule over rent and eviction protections, by prohibiting the City Council from extending rent regulations to unregulated units or subjecting existing regulated units to "more stringent" regulations.

Landlord lobbyists and lawyers claim that the Urstadt Law prohibits any city action which reduces their profits, such as requiring the Rent Guidelines Board to stop rubber-stamping automatic rent increases based on its index of landlords' operating costs. If the RGB were following the true intent of the rent-stabilization law, it would also look at tenants' ability to pay and landlords' skyrocketing profits.

The steady weakening of rent regulations, which were riddled with loopholes to begin with, began with the state administrative takeover in 1984, and has continued in jumps and starts ever since.. The interacting provisions enacted when the law was most recently renewed, in 1997, gave owners enormous incentives to displace existing tenants, and also made it easier to do that by weakening tenants' ability to defend themselves against eviction, complain about harassment, or resist unaffordable rent increases. In one of the worst "poison pills" inserted into the rent-stabilization law between 1993 and 1997, apartments renting for $2,000 a month or more are deregulated, are regardless of what the previous rent was and even if the tenant is paying a lower "actual rent." The exceptions are the rare cases when tenants have the time and resources to challenge what has been estimated to be a greater than 50% fraud rate in the deregulation of apartments.

In 1971, as now, calls for deregulation were accompanied by glossy studies promising that the "free" market would work if regulations were phased out. Instead, according to legislative findings three years later, after more than 400,000 units were deregulated, displacement and harassment increased. Despite promises that higher rents would lead to better maintenance, maintenance actually declined sharply, and abandonment exploded. In 1974, the state legislature passed the Emergency Tenant Protection Act, bringing all decontrolled apartments under rent stabilization.

No Deposit, No Return

Until 1984, the rent-stabilization law was administered by the very same Rent Stabilization Association, which then and now is the leading industry agent working for deregulation. In the early 1970s, the RSA went to court, financed by money it had collected in fees from owners in order to administer the rent-stabilization system, and sought to overturn the law as unconstitutional because it improperly delegated governmental authority to a private entity—itself. They lost.

More recently, the RSA brought a federal lawsuit claiming that Housing Court was not evicting families fast enough. They won. One of their claims was that the court was not exercising its discretion often enough to evict poor families without a hearing if they did not have all of the money which the landlord claimed was due.

The remedy of "rent deposit" was made mandatory in many situations by the state legislature and Governor Pataki in 1997, and now contributes to the total of more than 26,000 families evicted every year in New York City. Assembly Speaker Sheldon Silver's office told fellow Democrats that rent deposit was so clearly unconstitutional that they could go ahead and vote for it, because it would certainly be thrown out by the courts. Sure, it deprives citizens of property and procedural rights without a hearing and with no rational relation to any legitimate government purpose—eviction of low-income tenants leads to sharp rent escalation and a significant reduction in the supply of low-income housing at a time when the shortage is already critical and the city is under court order to house the homeless. But the law was not struck down by the courts. Instead, it was held to require a constitutional determination on a "case by case" basis. That typically never occurs for the 90% of low-income families who cannot get legal representation when facing eviction.

Preserving and strengthening rent and eviction protections remains the cornerstone of any policy to reverse the worsening housing crisis. And unlike 1997, the laws must be renewed without any more loopholes and crippling amendments. If rent regulations are not strengthened in 2003, New York's housing crisis will soon reach the point of no return.

Next month: What's at stake in the election? The lessons of Massachusetts and California.

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525 E. 6th St. (btwn. Aves. A & B) Lower East Side tenants only, 212-533-2541.

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Covers 135th St. to 165th St. from Riverside Dr. to St. Nicholas Ave.,
544 W. 157th St. (basement entrance).
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LOWER MANHATTAN LOFT TENANTS
St. Margaret's House, Pearl & Fulton Sts., 212-539-3538
Wednesdays ..... 6 pm-7 pm

VILLAGE INDEPENDENT DEMOCRATS
26 Perry St. (basement), 212-741-2994
Wednesdays ..... 6 pm-7:30 pm

WEST SIDE TENANTS UNION
200 W. 72nd St. Room 63; 212-595-1274
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