
Hazardous Homes

How NYC Fails Its Tenants

Housing Here and Now

www.housinghereandnow.org

ph: 212.608.5122

November 2005

Acknowledgements

This report was produced by Housing Here and Now, a coalition of 120 organizations working for housing justice in New York City. Chloe Tribich, Housing Here and Now Lead Organizer, is the primary author, with assistance from Julie Miles, Housing Here and Now Director. Staff of ACORN, Coalition for the Homeless and Neighbors Helping Neighbors put in many valuable hours to collect the violation data.

Make the Road by Walking, the NYC AIDS Housing Network, ACORN, the Northwest Bronx Community and Clergy Coalition, the Coalition for the Homeless, and the New York Immigration Coalition, along with other Housing Here and Now groups organizing for stronger housing code enforcement, played a key role in defining the purpose and recommendations of this report.

Table of Contents

| | |
|---|----|
| Housing Here and Now | 4 |
| Executive Summary | 5 |
| Methodology | 6 |
| Background..... | 7 |
| Key Findings | 9 |
| Violation and Ownership Statistics..... | 9 |
| How Many Tenants are Affected?..... | 10 |
| Who are the Landlords?..... | 10 |
| Who are the Tenants?..... | 13 |
| Report Recommendations..... | 14 |

Housing Here and Now

In February 2005, a broad-based coalition of 120 unions, clergy, community-based organizations and advocates launched Housing Here and Now (<http://www.housinghereandnow.org/>), a citywide effort to demand that policymakers take action to create and preserve decent affordable housing for all poor, working and middle-class New Yorkers. At a 7,000-person City Hall rally, Housing Here and Now put forward the following five-point housing platform:

- Keep the promise — use Battery Park City money to build and preserve affordable housing.
- Guarantee housing for low- and moderate-income people in neighborhoods being rezoned.
- Win back New York City's right to determine our own rent laws.
- Provide permanent housing for homeless people living with AIDS.
- Support legislation to strengthen tenants right to a healthy home through better inspections and tougher penalties.

Housing Here and Now counts a mayoral commitment to make good on the Battery Park City promise, several inclusionary zoning victories and passage of three laws to increase placement in permanent housing for people living with HIV/AIDS among its accomplishments. Grassroots organizing and the strength and breadth of its member groups have been integral to Housing Here and Now's success.

On July 27, 2005, Housing Here and Now kicked off the Fix It Now campaign with the release of the top ten worst landlords report and launch of <http://www.NYCWorstLandlords.com/>. The campaign focuses on three general areas of reform:

- Tightening NYC's system of Housing Maintenance Code enforcement
- Increasing multi-family lender accountability
- Ending bad landlords' abuse of taxpayer funded rent subsidies

This requires serious change from all power players involved in constructing, financing, maintaining and regulating multi-family housing: City government, landlords, lenders and the lenders' regulators. So far, the Fix It Now campaign has brought some of New York's worst landlords and a top lender to the table and prompted mayoral candidates to compete over the aggressiveness of their housing preservation plans. This report shows the extent to which hazardous conditions in multi-family rental housing—even when documented as Housing Maintenance Code violations by the NYC Department of Housing Preservation and Development (HPD)—remain unrepaired.

Executive Summary

The current City administration has won much praise for its housing initiatives, notably the New Housing Marketplace, a \$3 billion plan released in 2002 calling for construction or preservation of 65,000 units (a number later raised to 68,000).¹ The Mayor's subsequent promise to funnel Battery Park City funds to affordable housing, his championing of inclusionary zoning in Greenpoint-Williamsburg, and his recent announcement of New York/New York III, a plan to create 9,000 new units of supportive housing, have intensified commitments to housing construction, some of which is intended for low- and moderate- income people.² It is worth noting that many of these initiatives—particularly the Battery Park City and inclusionary zoning commitments—came as a direct result of grassroots mobilizations and organizing in poor neighborhoods. And while the sweeping plans for housing construction are needed and commendable, they are also notable for their lack of attention to the crisis of deferred maintenance. Other than cursory mentions of the new lead paint law and proactive inspection policy—also grassroots victories won over vigorous opposition from HPD—the Mayor's 2005 Progress Report on the New Housing Marketplace contains very little on preservation of privately owned multi-family stock.³

Hazardous apartment conditions remain a daily reality for tens of thousands of New Yorkers living in multi-family rental housing. Experiences of tenant leaders and community organizers suggest that many poor, low- and moderate-income people make due without adequate repairs for months or years on end—even when the repair needs are documented by the Department of Housing Preservation and Development (HPD) in the form of Housing Maintenance Code violations. Of particular concern are conditions such as lack of heat and hot water, falling ceilings and lead paint that directly threaten tenants' health and safety. HPD classifies these conditions as "immediately hazardous" and requires that they be fixed within 24 hours; when documented by an HPD Code Enforcement inspector, they are designated as C violations, the most serious of the three basic HPD Code violation types.

Housing Here and Now evaluated the current violation counts of the 1,533 distressed buildings on HPD's 2003 Major Problem Owner database and determined the following:

- 1,028 of the 1,533 (67%) buildings had 4 or more violations per unit in 2005.
- 438 of the 1,533 buildings (29%) had more C violations in 2005 than in 2003.
- 191 of those 438 had two or more violations per unit documented in the past 12 months; 375 of the original 1,533 (24%) buildings had two or more violations per unit documented in the past 12 months.⁴
- 497 buildings, nearly one third of the original number, had more violations in 2005 than in 2003
- There are at least ten major problem owners on HPD's 2003 list who each own a minimum of 5 buildings that now have more C violations than in 2003.

¹ New Housing Marketplace: <http://nyc.gov/html/hpd/pdf/2003-annual-report.pdf>

² Press releases for these mayoral announcements: http://nyc.gov/portal/index.jsp?front_door=true

³ New Housing Marketplace 2005 Progress report: <http://nyc.gov/html/hpd/pdf/2005-annual-report.pdf>

The Progress Report cites the most recent Housing and Vacancy Survey data as proof that housing conditions are "the best since the Housing and Vacancy Survey began in 1965," yet the ANHD report "Inequitable Enforcement" evaluates HVS data and concludes that housing conditions actually worsened in several poor and low-income neighborhoods. "Inequitable Enforcement:" <http://housinghereandnow.org/downloads/ANHD%20report%20final.pdf>

⁴ HPD's definition of an unsatisfactory building is the following: A building with three or more B and C violations combined per unit in all years or two or more B and C violations combined per unit documented in the last 3 years. Since counting the number of B and C violations documented in the past three years in each of 1,533 buildings is prohibitively time consuming, we used number of total violations documented in the past 12 months as a gauge of building distress instead.

Methodology

This report uses one of the only objective and universal methods of assessing building conditions in New York City, the Department of Housing Preservation and Development (HPD) Housing Maintenance Code violation system, to determine if the violation data from a sample of distressed buildings support community groups' experiences of widespread long-term deferred maintenance, especially in relation to immediately hazardous conditions.⁵

Specifically, Housing Here and Now evaluated the current violation data for the 1,533 buildings on HPD's 2003 Major Problem Owner database. When it was compiled in 2003, the database included ownership information and quantity of A, B and C violations for each of 1,533 buildings.⁶ In August and September 2005, approximately two years after the database was completed, Housing Here and Now noted the quantity of each of the following for the 1,533 buildings:

- Total violations
- Total C violations
- Violations documented in the past 12 months previous to August 2005
- C violations documented in the past 12 months previous to August 2005

Our primary method of evaluating the buildings' level of distress was a comparison between total open C violations in 2005 and 2003. In an attempt to assess how accurately the documented violations reflect actual building conditions overall, we also looked at the following indicators:

- Total violations per unit in 2003
- Total violations per unit in 2005
- Total violations documented per unit in the 12 months previous to August 2005

⁵Other standardized sources of evaluating building conditions include Housing and Vacancy Survey data, available in the 3rd volume of "The State of NYC's Housing and Neighborhoods," published by NYU's Furman Center for Real Estate and Urban Policy. This report shows that Bronx buildings suffered an average of 1.4 maintenance deficiencies per unit in 2002 (up from 1.3 per unit in 1999); while Brooklyn and Manhattan both experienced an average of 1.0 per unit (down from 1.1 in 1999). Meanwhile, the percent of housing units with 5 or more maintenance deficiencies was 5.8% in the Bronx, 3.5% in Brooklyn and 2.6% in Manhattan.

http://www.law.nyu.edu/realestatecenter/CREUP_Papers/state_of_the_city/documents/SOC_2003.pdf

⁶ HPD defines a major problem owner as a landlord with more than 5 unsatisfactory buildings; "unsatisfactory" is defined as counting more than three B and C violations combined per unit, or two or more B and C violations combined per unit documented in the past three years. A class A violation is a non-hazardous violation required to be fixed within 90 days, class B signifies a hazardous violation required to be fixed in 30 days, and class C violations are "immediately hazardous," required to be fixed in 24 hours. Examples of the three classes are, respectively, minor leaks, inadequate public lighting and lack of heat. See <http://www.nyc.gov/html/hpd/html/online-tools/hpd-online-glossary.html>.

Background: HPD Code Enforcement and Housing Maintenance Code Violation Data

A) Contradictory trends within HPD Code Enforcement

The crisis of poor building maintenance has continued despite some increased efforts against the worst bad landlords. A weak system of Housing Maintenance Code enforcement—downsized during the Giuliani administration and not yet built back up to levels of the late 1980s—is still taking its toll on housing quality.

Consider the following:⁷

- There were 500 HPD code inspectors in 1990, whereas the 2006 budget accounts for only 402 inspectors. Population and crowding increases intensified this loss: from 1997 to 2002, the population of the Bronx increased by 2.83% while housing units increased by only 2.47%. In Brooklyn, these changes were 1.75% and 1.53% respectively.⁸
- From 2002 to 2004, the annual totals of tenant complaints to HPD increased from 296,400 to 469,300. No doubt this reflects the implementation of the simpler 311 call in system, but it also suggests that the quantity of poor conditions far outnumbers 311 calls.
- From 2002 to 2004, the amount of time it took HPD to respond to emergency complaints increased by a factor of 5.72.
- Money recovered from HPD litigation against landlords decreased from \$5.1 million in FY 1989 to \$3.1 million in 2003.
- From 1999 to 2002, the average number of maintenance deficiencies per unit increased in Bronx buildings by 13.4%.⁹

At the same time, the recent arrest of bad landlord John Kosman,¹⁰ the implementation of the Proactive Inspection Program, the 2003 subpoena of Frank Palazzolo, and the multi-agency crackdown on Abdur Rahman Farrakhan, all point towards heightened efforts—however spotty—against some of the worst actors.

B) Challenges of Using HPD Violation Data to Assess Conditions

The updated violation data from HPD's Major Problem Owner list indicate that many buildings continue to suffer long-term maintenance neglect—including immediately hazardous conditions—even when singled out by HPD for their severe repair needs. Furthermore, the shortcomings of the method of violation documentation itself suggest that poor conditions are even more widespread than violation data suggest. The three major failings of the current system are the following:

First, because of the complaint-driven nature of the HPD violation system, violation counts may not reflect a building's conditions. For example, an apartment with a falling ceiling, mold and rat infestation might be violation-free if the tenant has not called 311 to complain.

Underdocumentation of bad conditions appears a particular challenge in buildings with very poor,

⁷ Unless noted otherwise, all information taken from the IBO's Feb. 2003 background paper, "Saving Homes: City Spending on Housing Preservation Grows" (linked to <http://www.ibo.nyc.ny.us/>) and updated information communicated by email from the IBO.

⁸ Lexis Nexis: 2002 Claritas demographic info.

⁹ "Inequitable Enforcement: The Crisis of Housing Code Enforcement in New York City" ANHD report <http://anhd.org/resources/Inequitable%20Enforcement.pdf>.

¹⁰ "Slumlord to do Time for the Grime," Jimmy Vielkind and Adam Lisberg; 24 August 2005; *Daily News*.

non-English speaking or immigrant tenant populations.¹¹ The dramatic increase in housing complaints after the switch to the 311 complaint line from the old 7-digit number increases the credibility of the violation system but also suggests that many poor conditions go unreported.¹² Similarly, the large numbers of violations documented through the Proactive Inspection Program suggest that the violation counts of buildings in low income neighborhoods would be more accurate were HPD to conduct full-building code inspections more routinely and according to need instead of City Council district.¹³

Second, the Housing Maintenance Code does not address some common urban housing problems. These include poor repair quality, such as plastering over a leak instead of fixing the source; structural deficiencies, including rotting beams and severe floor deflection; and illegal public-area activity, such as drug selling. Although these conditions are sometimes addressed by other City agencies, like the Department of Buildings and the Police Department, failure to name these problems as Housing Maintenance Code violations complicates the work of tenants and HPD attorneys suing problem landlords in housing court, and gives lenders and others conducting property reviews based on HPD data inaccurate impressions of the building's conditions.

Finally, just as new problem conditions frequently remain undocumented, violations remain classified as "open" until the landlord receives a successful dismissal inspection. A dismissal inspection can be obtained by a payment of \$300 fee or by entering into a Voluntary Repair Agreement with HPD's Division of Anti-Abandonment. In the cases where no new violations have been issued in the past two years, landlords can have the old violations reissued and then certify their correction at no charge.¹⁴ Some community groups report that buildings in their neighborhoods often contain dozens of undocumented poor conditions, but count violations dating from the early 1990s, experiences which are supported by the Proactive Inspection data in Council District 15.¹³

¹¹ In July through November 2005, the Language Access Committee—a group of organizations that provide services and organizing assistance to immigrants on housing issues—conducted a survey of 580 immigrant tenants and found the following: 68% did not know that HPD existed; 60% reported living with at least one serious bad condition in the past 12 months; only 13% tried to make a complaint to HPD; of the tenants who did not file a complaint, 43% said it was because they did not speak English well enough or did not know enough about HPD to do so.

¹² From 2002 to 2004, the annual totals of tenant complaints to HPD increased from 296,400 to 469,300, according to IBO data.

¹³ In Council District 15, Proactive Inspections resulted in the report of 1,938 new violations on 11 buildings with a combined total of 473 units in September and October 2005. This is an average of 4 violations per unit (counting all the units in the building). This number that is even more remarkable given that not all units were accessed. 1,176 violations were reported corrected on the same units in the same buildings.

¹⁴ <http://www.nyc.gov/html/hpd/html/for-owners/vras.html>

Key Findings

1) The violation and ownership statistics

We analyzed the current violation data for the 1,533 buildings on HPD's 2003 Major Problem Owner list, paying particular attention to the immediately hazardous class C violations, and found the following:¹⁵

- 1,028 of the 1,533 (67%) buildings had 4 or more violations per unit in 2005.
- 438 of the 1,533 buildings (29%) had more immediately hazardous (class C) violations in 2005 than in 2003; 191 of those 438 had two or more violations per unit documented in the past 12 months.
- 497 of the 1,533 buildings, nearly one third, had more violations in 2005 than in 2003.
- 390 of 1,533 (25%) had two or more violations per unit documented in the past 12 months.
- There are at least ten major problem owners on HPD's 2003 list who each own a minimum of 5 buildings that now have more C violations than in 2003.
- 298 buildings still had between 20 and 50% of their 2003 quantity of C violations open in August 2005.
- 172 buildings still had between 50.1% and 75% of their 2003 quantity of C violations open in August 2005.
- 332 buildings still had between 75.1% and 100% of their 2003 quantity of C violations open in August 2005.
- 1000 buildings had 50% of the number of violations per unit still open in 2005.

Since HPD does not make historical violation records publicly available, and since violation documentation and dismissal is rarely simultaneous with the appearance and repair of a bad condition, it is very difficult to determine average violation "lifetimes" in a given sample of buildings, and—more importantly—to determine how many of the bad conditions represented by these violations still exist. However, the fact that 25% of the 1,533 buildings in our sample had two or more violations per unit documented in the past year indicates continued poor conditions.

Finally, it is important to note that minor conditions can quickly worsen into immediately hazardous ones if neglected. Consider the following example: the water tank breaks on the roof of a building; water damage in the form of paint discoloration begins to appear on the ceiling of a top floor apartment; the discoloration spreads; cracks, bubbles and chipping paint appear, and soon the ceiling sags precariously. If fixed promptly, the original condition (paint discoloration) would signify an annoyance and the documentation of an A violation if inspected by HPD Code Enforcement.¹⁶ If neglected, the condition would worsen and spawn other problem conditions—such as mold and lead paint exposure, a C violation, in this particular example.

¹⁵ HPD's definition of an unsatisfactory building is the following: A building with three or more B and C violations combined per unit in all years or two or more B and C violations combined per unit documented in the last 3 years. Since counting the number of B and C violations combined documented in the past three years in each of 1,533 buildings is prohibitively time consuming, we used number of total violations documented in the past 12 months as a gauge of building distress instead.

¹⁶ A class A violation is a non-hazardous violation required to be fixed within 90 days, class B signifies a hazardous violation required to be fixed in 30 days, and class C violations are "immediately hazardous," required to be fixed in 24 hours. Examples of the three classes are, respectively, minor leaks, inadequate public lighting and lack of heat.

2) How many tenants are affected?

HPD's 2003 database listed 1,533 distressed multi-family properties totaling 31,173 units. This represents approximately 1.5% of the total rental units in New York City, and 2.8% of the total rent controlled and rent stabilized units. In the Bronx and Brooklyn—which count 10,109 and 10,316 units in the 2003 database respectively—it represents a higher proportion of rental apartments: 2.7% of total rental units in the Bronx, and 1.6% of total rental units in Brooklyn.¹⁷ Further, the fact that some known problem owners active at that time were not included on that list, such as Frank Palazzolo, Emmanuel Ku and David Somerstein, suggests that the housing quality reflected in the Major Problem Owner list represented the conditions in which over a hundred thousand New Yorkers lived at the time the list was constructed.

The 438 buildings that now have more C violations than in 2003 contain a total of 7,694 units. Multiplying the average number of people per unit by 7,694, and correcting for the differences in rates of unit crowding in the four relevant boroughs, we conclude that approximately 18,470 people live in these 438 buildings.¹⁸ In fact, this number is likely higher given that the average number of occupants per unit is based on total population divided by total housing units – including market rate apartments and private homes in wealthy neighborhoods, which tend to house fewer people per unit. Further, the latest available Claritas demographic information dates from 2002; at that time trends showed population growth outpacing unit construction. Finally, many community groups and advocates suspect that crowding and household size are underreported in the poor and immigrant communities in which most distressed buildings are located.

3) Who are the landlords?

At least 10 landlords own more than five buildings on our list of 438 buildings in which the number of C violations has increased since 2003. These include three of Housing Here and Now's top ten worst: Nicholas Haros, Moshe Piller and Barry Singer. Those three landlords alone own 698 units in buildings that now count more C violations than they did in 2003. Others include Ari Schwartz, Bahram Hakakian and Abdur Rahman Farrakhan, who was the recent target of a multi-agency NYC Department of Investigation crack down. Some 2003 major problem owners whose buildings show evidence of continuing distress appear to have sold many of their properties, including Arthur Green, Seth Miller, Peter Rosenbaum and Baruch Singer.

These data document the fact that HPD has successfully identified some of the worst landlords in New York City, but has failed in many cases to ensure adequate repairs in their properties. The presence of significant numbers of buildings owned by long-term major problem landlords among the worst buildings may reflect either a lack of attention and follow-up from HPD, or owners' lack of responsiveness to whatever heightened pressure HPD did exert between 2003 and 2005. Either way, it is clear the City needs an effective system for bringing the most negligent landlords to justice, preventing moderately distressed buildings from sliding into severe distress, and ensuring prompt repair of immediately hazardous conditions in all properties. Discouraging speculation and ensuring responsible financing must be a key consideration in all aspects of HPD's enforcement efforts.

Nicholas Haros' buildings include the following:

¹⁷ *Selected Findings of the 2002 New York City Housing and Vacancy Survey*; Dr. Moon Wha Lee, Assistant Commissioner for Housing Policy Analysis and Statistical Research; NYC Department of Housing Preservation and Development; 7 February 2003.

¹⁸ The Claritas 2002 County Rezone demographic information available on Lexis Nexis shows that Manhattan, the Bronx, Brooklyn and Queens had populations of 1,535,731, 1,345,439, 2,478,870 and 2,257,041 respectively. Total housing units, were as follows: 796,898 (Manhattan); 494,611 (the Bronx); 935,031 (Brooklyn); and 821,246 (Queens). The respective rates of occupants per unit, then, are: 1.93, 2.72, 2.65 and 2.75. The unit count represented by each borough on our list of 438 buildings is: 2,920 (Manhattan), 2,345 (the Bronx), 2,234 (Brooklyn) and 195 (Queens).

| BORO | BLK | LOT | PHN | STR_NM | ORG_NM | UNITS | C.Violations (2003) | C.Violations (2005) | Total Violations (2003) | Total Violations (2005) | Total Violations in 12 months (2005) | Total C Violations in 12 months (2005) | Total Violations/Unit (2003) | Total violations/Unit (2005) |
|------|------|-----|-------|---------------------|----------------|-------|------------------------|------------------------|-------------------------------|-------------------------------|---|---|------------------------------------|------------------------------------|
| 4 | 1516 | 49 | 42-29 | JUDGE STREET | HAROS NICHOLAS | 41 | 24 | 26 | 103 | 98 | 17 | 1 | 3 | 2 |
| 2 | 3260 | 64 | 3021 | HEATH AVENUE | HAROS NICHOLAS | 26 | 34 | 48 | 105 | 172 | 19 | 4 | 4 | 7 |
| 4 | 668 | 38 | 35-48 | STEINWAY STREET | HAROS NICHOLAS | 20 | 26 | 38 | 111 | 175 | 24 | 7 | 6 | 9 |
| 2 | 3305 | 26 | 2894 | GRAND CONCOURSE | HAROS NICHOLAS | 54 | 21 | 37 | 216 | 241 | 90 | 19 | 4 | 4 |
| 4 | 1468 | 25 | 35-38 | 95 STREET | HAROS NICHOLAS | 20 | 13 | 19 | 65 | 85 | 43 | 5 | 3 | 4 |
| 2 | 3213 | 85 | 2487 | GRAND AVENUE | HAROS NICHOLAS | 42 | 112 | 138 | 436 | 360 | 157 | 59 | 10 | 9 |
| 4 | 1468 | 23 | 35-34 | 95 STREET | HAROS NICHOLAS | 20 | 42 | 69 | 165 | 380 | 81 | 17 | 8 | 19 |
| 2 | 3067 | 22 | 2509 | HOFFMAN STREET | HAROS NICHOLAS | 25 | 85 | 111 | 226 | 354 | 135 | 49 | 9 | 14 |
| 2 | 2837 | 31 | 1565 | GRAND CONCOURSE | HAROS NICHOLAS | 57 | 95 | 177 | 571 | 573 | 312 | 99 | 10 | 10 |
| 4 | 1468 | 28 | 35-44 | 95 STREET | HAROS NICHOLAS | 20 | 16 | 37 | 99 | 187 | 111 | 18 | 5 | 9 |
| 2 | 2820 | 35 | 184 | EAST MT EDEN AVENUE | HAROS NICHOLAS | 26 | 53 | 90 | 318 | 306 | 153 | 56 | 12 | 12 |
| 2 | 3801 | 43 | 2075 | HAVILAND AVENUE | HAROS NICHOLAS | 26 | 35 | 61 | 92 | 264 | 159 | 39 | 4 | 10 |
| 2 | 3067 | 23 | 2505 | HOFFMAN STREET | HAROS NICHOLAS | 25 | 81 | 88 | 274 | 318 | 217 | 64 | 11 | 13 |

Moshe Piller's buildings include the following:

| BORO | BLK | LOT | PHN | STR_NM | ORG_NM | UNITS | C Violations (2003) | C Violations (2005) | Total Violations (2003) | Total Violations (2005) | Total Violations in 12 months (2005) | Total C Violations in 12 months (2005) | Total Violations/Unit (2003) | Total Violations/Unit (2005) |
|------|------|-----|------|-----------------|---------------|-------|---------------------|---------------------|-------------------------|-------------------------|--------------------------------------|--|------------------------------|------------------------------|
| 1 | 2161 | 126 | 562 | WEST 191 STREET | PILLER MOISHE | 20 | 10 | 48 | 120 | 437 | 21 | 3 | 6 | 22 |
| 3 | 5220 | 42 | 2010 | NEWKIRK AVENUE | PILLER MORRIS | 32 | 93 | 96 | 396 | 400 | 102 | 34 | 12 | 13 |
| 2 | 3305 | 17 | 2860 | GRAND CONCOURSE | PILLER MOSHE | 25 | 23 | 35 | 160 | 150 | 1 | 0 | 6 | 6 |
| 1 | 2161 | 73 | 556 | WEST 191 STREET | PILLER MOSHE | 21 | 7 | 10 | 91 | 107 | 16 | 3 | 4 | 5 |
| 2 | 3714 | 54 | 1025 | BOYNTON AVENUE | PILLER MOSHE | 61 | 33 | 65 | 228 | 308 | 127 | 26 | 4 | 5 |
| 2 | 3305 | 21 | 2874 | GRAND CONCOURSE | PILLER MOSHE | 27 | 36 | 40 | 109 | 180 | 64 | 7 | 4 | 7 |
| 2 | 3305 | 21 | 2874 | GRAND CONCOURSE | PILLER MOSHE | 27 | 36 | 40 | 109 | 180 | 64 | 7 | 4 | 7 |

Ari Schwartz's buildings include the following:

| BORO | BLK | LOT | PHN | STR_NM | ORG_NM | UNITS | C Violations (2003) | C Violations (2005) | Total Violations (2003) | Total Violations (2005) | Total Violations in 12 months (2005) | Total C Violations in 12 months (2005) | Total Violations/Unit (2003) | Total Violations/Unit (2005) |
|------|------|-----|------|-------------------|--------------|-------|---------------------|---------------------|-------------------------|-------------------------|--------------------------------------|--|------------------------------|------------------------------|
| 3 | 1234 | 9 | 814 | PROSPECT PLACE | SCHWARTZ ARI | 8 | 10 | 18 | 71 | 115 | 5 | 0 | 9 | 14 |
| 3 | 5220 | 72 | 1045 | OCEAN AVENUE | SCHWARTZ ARI | 16 | 5 | 14 | 162 | 200 | 14 | 2 | 10 | 13 |
| 3 | 1925 | 30 | 290 | WILLOUGHBY AVENUE | SCHWARTZ ARI | 8 | 17 | 19 | 111 | 85 | 16 | 3 | 14 | 11 |
| 3 | 4038 | 15 | 816 | BELMONT AVENUE | SCHWARTZ ARI | 13 | 8 | 20 | 43 | 98 | 37 | 8 | 3 | 8 |
| 3 | 1948 | 22 | 356 | LAFAYETTE AVENUE | SCHWARTZ ARI | 8 | 2 | 13 | 32 | 52 | 23 | 0 | 4 | 7 |
| 3 | 5124 | 18 | 2025 | REGENT PLACE | SCHWARTZ ARI | 39 | 44 | 81 | 264 | 287 | 186 | 53 | 7 | 7 |

4) Who are the tenants?

- Tanzania Robledo moved into her apartment in the Bronx at **2654 Valentine Avenue**, a Moshe Piller building, in 2001. As of the writing of this report, her apartment counted 16 violations, 9 of which are class C—including lead paint and rat infestation. She reports that she and her three children have battled leaks, soft floor boards and persistent mildew. After failing to get an adequate response from calling the landlord's office and HPD, she joined with her neighbors to form a tenant association. Reporting on her group's organizing work, which the tenant association feels has achieved more than individual complaints to City agencies and the landlord's office, Tanzania says, "organizing is better than just sitting around. When you have a group of people together on the same page, then things finally get done."
- Irania Sanchez lives in **258 Jefferson Street**, a Brooklyn building owned by David Melendez. Like 2654 Valentine Avenue, 258 Jefferson Street was named on HPD's 2003 Major Problem Owner list. It now has more C violations than it did in 2003. Irania reports the following conditions in their apartment: rats, cockroaches, bedbugs, plumbing and electrical defects, holes in the floors, and broken locks. Irania started calling HPD 6 years ago to complain and has not stopped since. The City recently reinspected her apartment through the Proactive Inspection program, and removed the lead paint through the emergency repair program, but the apartment still has more than 20 open violations.
- Laura Govanis lives in **1504 Sheridan Avenue**, a Bronx building owned and managed by Barry Singer and Moshe Piller. It contains 108 units with a total of 881 violations. Her apartment alone counts more than 30 violations, including C violations for rat infestation and broken pipes. Laura reports that many of her neighbors have also experienced leaks, lack of hot water, and rat infestation. Laura asks, "What has HPD been doing? Tenants even brought court action against the landlord and still repairs were not done. Our landlord does not care about us, and we need the City to step in."

Report Recommendations

In order to ensure prompt repair of bad conditions, the City of New York should adopt the following recommendations.

1) Implement the key elements of the Healthy Homes Act:

- Ensure that C violations are repaired within 35 days—whether by the landlord, mortgage holder, or through the City’s Emergency Repair Program (ERP), and that re-inspection by HPD Code Enforcement occurs promptly.
- Tenants living with uncorrected C violations should be granted full rent abatements after the initial 24 hour period following documentation of C violation.

2) Increase the effectiveness of violation documentation:

- In order to further strengthen the Code Enforcement/ERP process and correct the shortcomings of a complaint-driven system, HPD should conduct full-building Code Enforcement inspections that target distressed buildings in poor neighborhoods. This should be similar to the Proactive Inspection Program but should not be bound by geographical or political constraints. When appropriate, HPD should work with community groups to identify buildings and maximize apartment access.
- HPD should establish an alert system whereby a particular threshold of A and B violations per unit automatically triggers a full-building Code Enforcement inspection, and further identify bad buildings and abusive owners by noting the quantity of nonpayment cases brought by particular landlords against tenants.
- HPD should set thresholds of building distress (both in terms of finances and maintenance) that would trigger multi-agency crackdowns similar to the one launched against Abdur Rahman Farrakhan.
- HPD should translate all publicly available Internet and paper brochures into the 8 most commonly spoken languages in New York City.

3) Catalyze property transfer of most distressed buildings from negligent owners: In situations where a landlord demonstrates prolonged and extreme negligence, HPD should pool the resources of its various divisions to encourage a change in management or ownership. Aggressive code enforcement, litigation and coordinated enforcement with mortgage holders have in the past spurred property sales.

HPD could catalyze and prepare for transfers by doing the following:

- Increasing frequency and aggressiveness of 7A litigation
- Establishing an entity that acquires property and/or mortgages and then quickly transfers buildings to a set of pre-qualified buyers, and strengthening ownership transfer programs that emulate Third Party Transfer
- Issuing an RFQ to identify qualified for- and non-profit buyers
- Creating new loan products to assist acquisition and rehabilitation
- Securing participation of lenders in an acquisition pool

- Entering into a set of agreements with multi-family lenders to red flag distressed properties that require refinancing and/or ownership transfer to improve living conditions
- Securing commitments from lenders to restructure mortgages that place too much financial stress on properties