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MAYOR BLOOMBERG ANNOUNCES LEGAL VICTORY IN EFFORT TO CURB ILLEGAL HOTELS IN NEW YORK CITY

*Mayor's Office of Special Enforcement Action Leads to Court Decision Prohibiting Use of
Single Room Occupancy (SRO) Hotels by Tourists*

*Three Upper West Side SRO Hotels Illegally Converted for Transient Use May Only be Used by
Permanent Residents*

Mayor Michael R. Bloomberg today announced a victory in the effort to curb illegal hotels in New York City after the City obtained a preliminary injunction prohibiting the use of three Single Room Occupancy (SRO) hotels on the Upper West Side of Manhattan as tourist hotels. The three hotels are the Montroyal, located at 315 West 94th Street, the Pennington, located at 316 West 95th Street and the Continental, located at 330 West 95th Street. The buildings contain hundreds of SRO dwelling units. Each hotel contained many rooms which the Mayor's Office of Special Enforcement found had been illegally converted for use by tourists and others, contrary to the certificate of occupancy. In his decision granting a preliminary injunction, Manhattan Supreme Court Justice Michael D. Stallman noted that the defendants did not contest the fact that they advertised the buildings as "inexpensive transient accommodations available to tourists" on Internet travel sites such as Orbitz, Expedia, Hotels.com and Yahoo Travel.

"When housing designated for permanent occupancy is illegally converted into a hotel, unsafe conditions are created, the residential character of City neighborhoods is harmed and the supply of much-needed units of housing is depleted," said Mayor Bloomberg. "While there is still work to be done to remedy the conditions that allow traditional residential apartment buildings to be illegally converted into hotels, today's decision is a clear victory for the City, the hotel industry, and – most importantly – the full-time residents of SRO buildings, I applaud Judge Stallman for his ruling."

"This is a significant achievement for the City and will restore needed units of SRO housing," said John Feinblatt, the Mayor's Criminal Justice Coordinator. "To fix the problems caused by illegal hotels and improve quality of life in traditional residential apartment buildings, while also meeting the needs of visitors, the current legal framework needs to be re-envisioned. The Administration is working with City and State elected officials to develop a solution."

(more)

The Certificates of Occupancy for these buildings designate them as “Class A” multiple dwellings or new law tenements – single room occupancy. Under City and State law, they are required to be occupied by permanent residents. However, when the buildings were inspected in July and August of 2007 by the Mayor’s Office of Special Enforcement (OSE), it was discovered that extensive alterations, construction work and plumbing work had been completed or was being performed without the required permits and that the buildings were effectively being illegally used as transient hotels or hostels.

In response to the City’s legal action, which was commenced by the Department of Housing Preservation and Development and the Department of Buildings on September 6, 2007, Justice Stallman found that the “use of the subject buildings as transient hotels violates both the certificates of occupancy for the subject buildings and the 1961 Zoning Resolution.” He further stated that “there is evidence that the transient guests disrupt the normal building operations and disturb the permanent residents” and that the unauthorized alterations “adversely affect the health, safety and welfare of the inhabitants in the subject buildings.” As a result, Justice Stallman issued a preliminary injunction ordering the defendants to cease making any new reservations for transient occupants, prohibiting the occupancy of rooms in the buildings by transients after January 8, 2008 and prohibiting any alterations without the required permits.

“This decision sends a strong message to building owners that illegal transient use in residential buildings will not be tolerated,” said Buildings Commissioner Patricia Lancaster. “We look forward to a continued collaboration with our partners at the Mayor’s Office of Special Enforcement, the Law Department, and the Department of Housing Preservation and Development to demand the safe and lawful use of New York City’s 950,000 buildings and properties.”

“This is an important step in the City’s ongoing effort to stem the illegal rental of permanent housing by transient occupants for hotel use and to preserve affordable housing for the City’s residents,” said Housing Commissioner Shaun Donovan. “I’d like to thank Deborah Rand, Assistant Commissioner for Housing Litigation at HPD who was appearing as a Special Assistant Corporation Counsel and represented the City and its agencies in court.”

“SRO Tenants have been fighting an uphill battle for years to not be forced out by their landlords, seeking to make room for tourists,” said Yarrow Willman-Cole, Goddard Riverside's West Side SRO Law Project. “Now with the City winning the recent injunction, SRO tenants can finally feel they are winning their struggle to preserve their homes.”

– 30 –

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